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NEWS SUMMARY

GENERAL

Crash of Gulf Air Boeing kills 112

A Gulf Air Boeing 737 crashed near Abu Dhabi killing all 112 people aboard. Most of the passengers on the Pakistan-Bahrain flight were Pakistanis returning to work in the Gulf after a holiday.

Pakistani flight controllers heard an emergency call from the jet as it entered the Bahrain flight control area, but the pilot gave no more information before the crash.

Rallying cry

Liberal leader David Steel told the party's assembly that they must develop the Alliance and capture the intellectual initiative from the Conservatives. Back Page

Cash for victim

Teresa Sykes, 19, who was attacked by "Yorkshire Ripper" Peter Sutcliffe in 1980, was awarded £20,000 compensation for her ordeal.

Manila violence

Police used tear gas and truncheons to break up a demonstration by 2,000 students outside the U.S. embassy in Manila, Philippines. Marcos clamps down, Page 2

Protesters held

An unofficial Soviet invalid rights group said three handicapped people were committed to psychiatric hospitals for supporting their campaign.

Soviet warning

The Soviet news agency Tass said U.S.-Japanese naval manoeuvres due to start next week were provocative and dangerous.

Unionist boycott

Unionists MPs and councillors are to boycott next week's visit to Ulster by a delegation of 12 leading politicians from the Irish Republic.

Capetown clash

Riot police fired rubber bullets and tear gas at black squatters protesting at the demolition of a makeshift camp outside Capetown.

West Bank move

Israel is to expand the Jewish enclave in Hebron, on the West Bank, after the acting Israeli mayor withdrew legal objections filed by his Arab predecessor. Coalition offer, Page 2

Space to let

The U.S. space agency Nasa and Fairchild Industries agreed to develop a $200m (£133m) space platform for commercial leasing.

Wine into water

Stockpiles of alcohol seized from bars and shops were thrown into the Nile at Khartoum, as part of Sudan's move to stricter Islamic observation.

Briefly . . .

Caribbean state of Saint Christopher and Nevis joined the UN.

Sizewell B inquiry heard its first local objector.

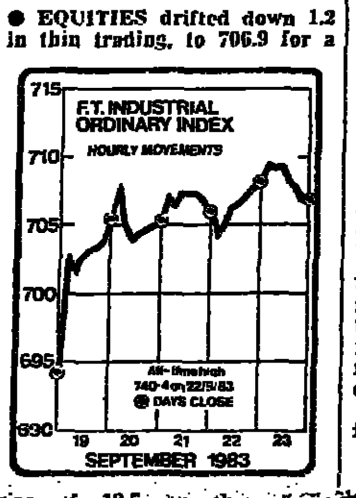
Floods swept away a village of 50 people in Assam.

BUSINESS

Apple Computer shares tumble

● APPLE COMPUTER share price fell from $33 to $24.5, wiping more than 25 per cent off its market value on news that it expects a sharp drop in fourth-quarter profits from $18.7m last year to between $5m and $8m. On the U.S. over-the-counter market, 3m Apple shares were sold in the first 25 minutes of trading. Page 27

● EQUITIES drifted down 1.2 in thin trading, to 706.9 for a



rise of 12.7 on the week. Page 28

● GILTS were firm and shorts gained up to ⅛, longs up to ¼. Page 28

● HANG SENG index in Hong Kong fell 63.58 to 785.48. *Coupled with Monday's sharp fall, the index has lost 130.63 points over the week. The Hong Kong currency also fell to a record low of HK$8.6 against the U.S. dollar, following a similar plunge last Saturday.* Page 2 and Page 28

● DOLLAR fell to DM 2.657 (DM 2.678), FFr 8.08 (FFr 8.095), SwFr 2.15 (SwFr 2.1685) and Y239.9 (Y242.5). Its trade-weighted index was 128 (128.7). Page 25

● STERLING rose 30 points to $1.502 but fell to DM 3.9925 (DM 4.0175), FFr 12.0725 (FFr 12.1325), SwFr 3.23 (SwFr 3.2525) and Y360.5 (Y363.75). Its trade-weighted index fell to 84.7 (85). Page 25

● GOLD rose $4.5 in London to $413¼ and in New York the September Comex settlement price was $416.5. Page 25

● WALL STREET was 4.47 down at 1,253.05 just before the close. Page 24

● TEXACO has beaten off a late challenge from Mobil for the better marketing and refining assets in north west Europe of Standard Oil of California in a deal reckoned to be worth nearly $300m. Back Page

● BNOC has told customers and suppliers there should be no change in the basic North Sea oil price of $30 a barrel in the fourth quarter. Page 3

● *HALL ENGINEERING* first half pre-tax profits fell from £3.41m to £2.86m on poor trading conditions in the UK and South Africa. Page 22

● NEWMAN INDUSTRIES pre-tax profits for the half-year to June 30 rose from £0.64m to £1.59m, largely because of a reduction in interest charges after refinancing undertaken in the first quarter. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Exch. 12pc 1998	*£112¼*	*+ ¾*
Brit. Home Stores	221	+ 6
Cullen's Stores A	180	+ 25
Eagle Star	480	+ 25
Electrocomponents	266	+ 9
Empire Stores	*68*	*+ 10*
Evered	110	+ 12
Henlys	88	+ 5
ICL	63	+ 5
Intl. Signal & Cntrl.	184	+ 20
London & Northern	75½	+ 4
Marler Estates	91	+ 6
Midland Bank	473	+ 3
Muirhead	131	+ 6
Newman Inds.	19	+ 4
Park Place Invs.	198	+ 5
Pr. of Wales Hotels	125	+ 7
Saatchi & Saatchi	540	+ 50
Spring Ram Corpn.	170	+ 13
Tesco	*176*	*+ 6*
Unitech	220	+ 17
Westland	*145*	*+ 11*
Hudson Pet. Intl.	116	+ 12
Imp. Cont. Gas	268	+ 11
Invent Energy	258	+ 32
Kinta Kellas Rubber	190	+ 12
Malaysia Rubber	*142*	*+ 10*
Hartebeest Gold	£53½	+ 1½
Stilfontein Gold	£12¼	+ ½
Valiant Gold	25½	+ 3
Western Mining	274	+ 8
FALLS		
BL	72	− 5
Cable & Wireless	445	− 12
Dunlop Hldgs.	51	− 6
Hutchison Whampoa	81	− 11
ICI	528	− 6
Jardine Matheson	82	− 12
Newarthill	560	− 30
Atlantic Res.	450	− 10
Hamilton Oil G.B.	185	− 32

BL makes first trading profit since 1979

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL MADE its first trading profit since 1979 in the first half to end-June this year: £1.3m compared with a £61.3m trading loss in the same period a year ago.

The state-owned group reduced its net loss by 66 per cent compared with the first six months of 1982, from £143.4m to £48.4m.

The board said yesterday there were "inevitable uncertainties in the second half of the year. Nonetheless, it remains the board's objective to approach break even for 1983 as a whole at the level of profit before interest, tax and extraordinary items."

The improved trading performance in the first half of the year was entirely attributable to the cars division. All the cars companies—including Austin Rover, the volume business—traded profitably.

As a result the cars division made a trading profit of £37m, a reversal of the £37m loss in the first half of 1982. But the commercial division, Land Rover-Leyland, saw its trading loss jump from £21m to £34m.

BL's net loss was substantially reduced mainly because the group has nearly completed its major rationalisation programme, which involved *redundancies* and plant closures.

So the extraordinary charges for these items were reduced to only £1.8m in the first half of this year against £31.7m for the same period of 1982.

BL—FIRST HALF	1982 £m	1983 £m
Sales	1,455	1,671
Trading profit/(loss)	(61.3)	1.3
Interest	45.2	41.0
Pre-tax loss	106.5	39.7
Tax	3.7	4.1
Minorities	1.5	2.8
Extraordinary items	111.7	1.8
Net loss	143.4	48.4
Depreciation	72.8	88.8
Vehicle product'n 000 units	287	293
Vehicle sales 000 units	261	281

During the six months worldwide employment within BL remained stable at *103,000*, which included 85,000 in the UK.

The only workforce cuts indicated for the future are *the closure of the Bristol bus* plant, with the loss of all 530 jobs, and another 400 jobs are to go at the Leyland truck plant at Bathgate in Scotland—all due *to take place in the second half* of this year.

BL pointed out yesterday that Land Rover-Leyland normally derived two-thirds of its revenue from overseas sales, largely in developing countries.

The shortage of foreign exchange *in those markets had* a severe impact on both Leyland Vehicles, BL's truck business, and Land Rover. An improvement in UK sales for both *companies was not enough to* offset the drop in export revenue.

The cars group benefited from the record demand in the UK *during the first half, while* Jaguar pushed up volume sales by 51 per cent in the U.S.

Demand overseas is not expected *to improve significantly in the second half of 1983* and BL's performance in the remainder of the year will therefore largely depend on the demand for new cars in the UK.

In the first half BL's sales revenue rose by £216m to £1,671bn, reflecting a 20,000 unit increase in vehicle sales to 281,000. Vehicle production *rose from 287,000 to 293,000.* Export revenue amounted to £447m and BL estimates that in the six-month period it contributed £360m to the UK trade *balance at a time when the* British motor industry as a whole was in the red on this account by £1,422bn.

The group said its cashflow

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Productivity car boomerang, Page 21
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Brazil payments cut threat

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

BRAZIL WILL cut its payments to foreign creditors if the world prices of coffee and sugar, two of the country's staple exports, fall. This blunt threat was issued in London yesterday by *Sr João Camilo Penna, Brazilian* Minister of Industry and Commerce, on the eve of the annual meeting of the International Monetary Fund in Washington.

Sr Penna made clear that he felt his country had little, if any, hope of meeting its international financial obligations if it were not able to increase its exports.

Wrestling with a foreign debt of about $90bn, Brazil has just signed a letter of intent to the IMF, in which it promises to pursue policies of deflation and austerity.

The Minister revealed that the Goverment was planning to fix maximum prices for staple goods, such as food and clothes, and would move quickly to decree a reduction in domestic interest rates if it thought that necessary to reduce the impact of the latest austeriy measures on the poorest sections of the population.

Warning of the danger of widespread social unrest in Brazil if excessive austerity were imposed, Sr Penna commented: "There are millions of humble people in Brazil. But they must not be made to suffer humiliation," he added.

Sr Penna said that the Government of General Joao Figueiredo was willing to cut living standards, reduce workers' wages and cut the profits of companies.

He forecast that the terms of Brazil's letter of intent to the IMF would be passed into law, either by a congressional majority or by presidential decree, before the end of next month.

He warned however: "We are willing to indulge in brinkmanship on the question of the policy of austerity, but we are not willing to jump over the precipice and threaten the social and economic fabric of the country by imposing excessive hardships."

Making no secret of his bitterness towards the funds, the minister said that its "manual of procedures" was "obsolete" and needed urgent revision. He added: "While the fund's representatives were in Brasilia recently, telling us to expand our exports to Argentina and cut our imports from them, another IMF team was in Buenos Aires telling the Argentines to cut their imports from Brazil and sell more to us."

Sr Penna said that Brazil would not join other developing countries in a "debtors' cartel." The Brazilian Government, however, was prepared to

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Acrow to close its tube works

BY PETER BRUCE

ACROW TUBES, one of Britain's biggest private sector steel tube producers and part of the troubled Acrow engineering group, will cease operations next month. The decision was prompted by a fall in customers, chronically weak tube prices and increased foreign competition. The British Steel Corporation (BSC) has agreed to buy Acrow Tubes' equipment at Saffron Walden in Essex for £2.5m.

The withdrawal from tube-making will mean a loss of 72 jobs from the 365 at Acrow's Coronation Works in Saffron Waldon. Acrow Engineers, Acrow Galvanising and Crawley Refrigeration will continue to operate from the site.

Mr John Lee, Acrow Tubes' managing director, said yesterday BSC had been approched two months ago, and that a final decision to close had been made in the past few days. The move is a breakthrough for BSC, which has long argued that manufacturing overcapacity in the UK was forcing down tube prices.

Acrow Tubes made 40,000 tonnes of welded tube and hollow sections last year, about 8 per cent of total UK output in the small diameter ranges which are used mainly in construction.

The closure of Acrow's two tube mills will not, however, completely relieve market congestion in the UK, analysts said.

Some 550,000 tonnes of welded tube of up to 6⅝ inches diameter, worth up to £150m was thought to have been available on the UK market last year. Tubemakers believe this would need to be cut to 400,000 tonnes to restore price stability.

Acrow Tubes was one of four private producers which earlier this year accused BSC of trying to drive them out of business after the corporation cut its tube prices by 25 per cent and, almost simultaneously, raised the price of strip, from which tubes are rolled, by 10 per cent.

This enabled BSC to reclaim the five to 10 per cent market share lost in 1982 when it raised tube prices 25 per cent. By the end of the spring, BSC held about 65 per cent of the UK market, TI about 12 per cent, followed by Acrow with 9 per cent and Natural Gas Tubes 6 per cent.

The BSC price cut came as private tubemakers were preparing to combat imports which doubled in 1982 to 70,000 tonnes. *Largely because of* sterling's weakness these will probably fall by *more* than 20,000 tonnes this year but an *expected strengthening of* tube prices in the summer has failed to materialise.

If anything, Mr Lee said, prices had further softened since the beginning of the year and in the past few weeks Acrow had barely been recovering its fixed costs on tube sales.

The deal with BSC is unlikely to have any major effect on Acrow's balance sheet — in fact, the company's non-voting "A" shares were unchanged at 17p after the announcement yesterday — but its relief at withdrawing from the market will be considerable.

Acrow recently announced a pre-tax loss of £14m for 1982-83, up from £3.9m the previous year.

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For latest Share Index phone 01-246 8026

Syrians hold up ceasefire moves

BY PATRIK COCKBURN IN BEIRUT

PROGRESS IN negotiations for a ceasefire in Lebanon faltered last night when Syria was understood to have raised fresh obstacles. The setback came after a day of mounting optimism.

Two U.S. marines of the multinational peacekeping force were wounded in the early evening when their positions near the international airport came under mortar, machine-gun and rifle fire. The marines responded with artillery fire.

Earlier President Amin Gemayel of Lebanon had accepted the terms of a peace plan, which was then taken back to Damascus for approval by Syria and its Druze allies. Reports from the Syrian capital suggested that President Hafez al-Assad had demanded fresh concessions from Mr Gemayel.

The plan for a ceasefire involved few preconditions, according to officials. The main aim of the proposal was that troops on both sides would stop firing, hold their present positions, and allow in observers to police the end of hostilities.

It is still unclear how many observers would be sent, though they may number up to 600; or where they would come from.

The ceasefire would be followed by negotiations, probably in Saudi Arabia, between the Lebanese Government and the Syrian-backed opposition.

Over the past week the main focus of Syria's objections to a ceasefire has been inclusion in the talks of Mr Chafiq Wazzan, the Prime Minister, and Mr Kamal al-Assad, the parliamentary Speaker.

The proposals were taken to Damascus by Mr Rafic Hariri, a Lebanese businessman who has been helping the Saudi mediation efforts.

As the Saudi-backed peace initiative acquired a new urgency, fighting on the battle front eased off. Government soldiers in the key ridge-top town of Souq al Gharb were hopeful yesterday that there would be no *more* assaults on their battered positions.

"We expect a ceasefire," said an officer in an armoured personnel carrier. "This is an *abnormal day for us.* In the past the enemy were attacking from Qaifoun and Aley every six hours."

Soldiers belonging to the six battalions on the ridge looked tired but were in high spirits, partly because there was little incoming fire.

It has become clear since Monday that the U.S. Government will give all the military backing necessary to the 34,000-strong Lebanese Army to prevent its defeat.

The armada off the Lebanese *coast is being reinforced by the* battleship New Jersey with its 16 inch guns. If no ceasefire is reached—and there have been numerous disappointments in *the past—then it is likely that* the U.S. will use its air force as well as its naval artillery.

In the three-week war the Druze have defeated the Christian militiamen who entered their territories, while Syria has moved a long way to fill the political vacuum left by the Israeli withdrawal to the *Awali River.*

It has failed, however, wholly to destroy Mr Gemayel's Government, as it would have liked.

David Housego writes from **Paris:** The French Government tried to minimise any damage to its relations with Syria and with the Druze community in Lebanon that might follow from Thursday's attack by French planes on Druze militia positions.

The Government said France *"had no enemy in the Lebanon,* but a duty to protect French troops."

The statement reflects the French desire to retain a reputa*tion for impartiality* in Lebanon, with which France has historic links, and to avoid worsening of relations with Syria. France believes Syria *has a major influence in the* Iran-Iraq conflict as well as in Lebanon.

Opposition parties expressed satisfaction at the air strike. *M Chirac, mayor of Paris and* leader of the neo-Gaullist RPR, criticised the Government last week for not reacting faster to attacks on French troops.

USS Jersey profile, Page 2

£ in New York

	Sept. 22	Previous
Spot	$1.5005-5015	$1.5020-5030
1 month	nil-0.02pm	nil-0.02pm
3 months	0.11-0.13pm	0.09-0.11pm
12 months	0.75-0.83pm	0.66-0.74pm

Beer flows as Aussies get taste of victory

By Michael Thompson-Noel in Sydney

NOTHING IN the wide blue world matters as much to Australians as punching the opposition firmly on the nose.

For that reason, Australia woke this morning in a mood of fevered celebration at the thought that Australia II—the America's Cup challenger from the Royal Perth Yacht Club—has sailed to within a whisker of sport's most elusive prize.

If the Perth 12-metre yacht beats Cup defender Liberty in today's deciding race off Newport, Rhode Island, Australia will rock from side to side.

It was listing happily yesterday, with flags flying, beer flowing and the airways clogged with Waltzing Matilda.

In Perth last night, it was said that victory today would necessitate the building of at least two new international hotels to handle the influx of visitors expected in 1986 for the return challenge. State tourist officials were already counting the cash.

"It's unreal," said the yacht club, "completely unbelievable."

At Perth's main post office, arrangements were being made for a film of the race to be packaged in a time capsule and buried for posterity.

From Adelaide, a methuselah of Hardy's Grand Reserve champagne was despatched on a lightning journey to the Newport dock, while in Sydney, advertising charges in the final race telecast zipped from A$50 to A$1,500 for half a minute.

For many Australians, the hero of the hour is not particularly Alan Bond, the millionaire Perth backer of Australia II, even though he has dug deep in his pocket to bring home the Cup and has shown the "robber barrons" of the New York Yacht Club that when it comes to mixing it, Australians hold their own.

Nor is the hero necessarily skipper John Bertrand, *though he is admired, along* with his muscle-bound, sweat-

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Report from Rhode Island, Page 19

Marcos clamps down on protests by opposition

BY EMILIA TAGAZA IN MANILA

THE Philippine Government yesterday imposed restrictions on protest rallies and marches following the bloody clashes between student demonstrators and police, which left 10 dead and almost 150 injured.

General Fabian Ver, armed forces chief, said that mass demonstrations without proper government permits would be dispersed, and that all persons causing civil disturbances, such as barrages of noise, will be arrested. "From now on, anti-riot groups will be armed," General Ver said.

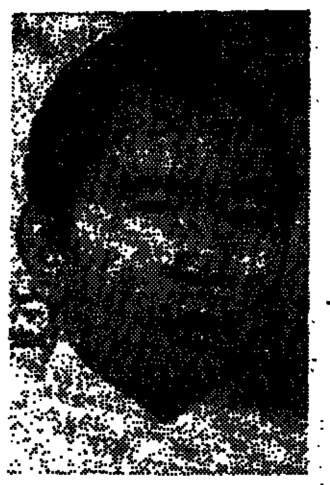
As General Ver made his announcement, demonstrators in the country's prime business district of Makati were dispersed by tear gas.

Office staff in Ayala Avenue, Manila's Wall Street, began to protest against the continued rule of President Ferdinand Marcos in mid-afternoon. Hundreds of employees urged drivers to honk their car horns. Within minutes, however, police put an end to the festive atmosphere and dispersed the crowd with tear gas.

A Blue military jeep carrying uniformed men with gas masks and armed with machine guns, was also at the scene.

Thousands of students from the university in downtown Manila marched on the U.S. embassy. They were also dispersed by riot police using tear gas.

The Justice for Aquino, Justice for All Movement (JAJA), the organisers of Wednesday's rally in which more than 100,000 took part,



President Ferdinand Marcos

said it would organise more peaceful protests.

JAJA, which includes the relatives of Mr Bengno Aquino, the opposition leader who was assassinated, and several opposition groups, said JAJA's strategic aim is to obtain the resignation of President Marcos and his entire cabinet through peaceful means.

The opposition is also talking of holding anti-American demonstrations against President Ronald Reagan if he goes ahead with his planned visit to the Philippines in November.

Reuter adds from Manila: Cardinal Jaime Sin, the Roman Catholic Archbishop of Manila, was meeting President Marcos last night in an attempt to ease the political tension, church officials said.

Italy to co-ordinate Mafia fight in Rome

By James Buxton in Rome

THE ITALIAN Government has effectively admitted that the policy introduced only a year ago to fight the Mafia has failed. It is to withdraw from Sicily's capital, Palermo, the Special High Commissioner appointed to lead the anti-Mafia campaign, which from now on will be co-ordinated from Rome.

After a year in which the authorities have made little obvious progress against the Mafia, the Minister of the Interior, Sig Oscar Scalfaro, told Parliament that there had been "too little co-ordination" between the High Commissioner, Sig Emmanuele de Francesco, and the local police chief, and that this was in danger of causing serious difficulties.

Sig de Francesco will no longer be Prefect or central government representative in Palermo and the campaign against the Mafia will be led in Sicily by the chief of police, whose force is to be strengthened.

Sig de Francesco's opposite numbers dealing with the Camorra in Naples and the N'drangheta in Calabria will also be withdrawn.

Sig de Francesco was appointed last September following the assassination in central Palermo of his predecessor as Prefect, Gen Carlo Alberto Dalla Chiesa, who also had a special brief against the Mafia. He was killed less than four months after taking office.

Sig de Francesco has been the centre of controversy recently, after he said in an interview that the Mafia would only be beaten after the year 2000. Then potentially damaging allegations were made against him which the Interior Minister said were unfounded.

They were supposed to be based on a reference found in the diary of Sir Rocco Chinnici, the state prosecutor and anti-Mafia campaigner, murdered in a bomb explosion in Palermo last July.

HK uncertainty deepens financial gloom

BY MARK BAKER IN PEKING AND ROBERT COTTRELL IN HONG KONG

HONK KONG'S financial gloom deepened yesterday after the Sino-British talks on the colony's future adjourned with no evidence of progress. A joint statement issued yesterday afternoon made no comment on the progress, or otherwise, of the negotiations, saying only that a fifth round would be held in Peking on October 19 and 20.

Observers saw the continuing silence as a further sign that Britain is maintaining a tough negotiating stance and refusing to bend to Chinese pressure for public concessions and an early settlement of the issue.

The absence of news saw the Hong Kong dollar slip to a new all-time low of 8.80 to the U.S.$ before closing at 8.60 after apparent intervention by the Government. The dollar, worth more than seven to the U.S.$ in May, has slid rapidly in the past week. Late trading on the Hong Kong Stock Exchange also showed further substantial decline. Share values have fallen by about 20 per cent in a week.

The Hang Seng Index lost 63.58 points to close at 785.48. Coupled with another sharp fall on Monday, yesterday's decline helped the Index register a loss of 130.63 points during the week, equivalent to a loss of more than 14 per cent on last Friday's close.

Sir Percy Cradock, the British Ambassador, and Sir Edward Youde, the Governor of Hong Kong, left the meeting soon after mid-day. They offered only a wave and a formal smile to waiting reporters as the drove from the number three guest house in Peking's old legation quarter.

The latest round of talks was the fourth since July when the two sides resumed the "second phase" of negotiations, after a visit to Peking last year by Mrs Thatcher, the British Prime Minister. The colonial leases under which Britain controls most of Hong Kong expire in 1997. China has demanded that it resumes control of all the colony by that date.

The second phase of talks was heralded by officials on both sides as beginning the process of tackling the central issues. But, at least up until the latest session, Britain was still refusing to concede sovereignty to Peking.

Today's joint statement had all the hallmarks of the bland announcements made after the three previous meetings since July, and carried nothing to suggest that the two sides are any closer to a compromise.

It said: "The British and Chinese sides held further talks on the question of Hong Kong on September 22/23 and the fifth round will be held in Peking on October 19/20."

Reagan sets up unitary tax working party

BY STEWART FLEMING

PRESIDENT Ronald Reagan hoped yesterday to defuse the unitary taxation dispute with the UK ahead of Mrs Margaret Thatcher's visit to Washington next week by setting up a working party to study the issue.

However, the move sparked an angry reaction from representatives of the mainly UK companies who have been lobbying the U.S. for over five years over a tax system which, they maintain, infringes the UK/U.S. double taxation treaty.

"It's obvious it's a stall," was the reaction of one businessman who has been closely involved in the British campaign. "This is where we came in five years ago."

Earlier, Mr Donald Regan, the U.S. Treasury Secretary, announced that the President had decided not to back a move to call for rehearing of a U.S. Supreme Court judgment which has been interpreted as supporting unitary taxes on foreign companies.

The taxes, levied by some 13 states including President Reagan's home state of California, are collected from some foreign multinationals on earnings they make outside the U.S., which the companies maintain is against international law.

The British Prime Minister has let it be known that she is personally interested in seeing the unitary tax issue resolved. A top-level British delegation said this week that it expected her to raise the issue personally with Mr Reagan next week.

Now, however, Mr Reagan can respond that the question is under examination, but this has clearly dismayed the multinationals which are lobbying for change.

It was suggested yesterday that the question, which touches sensitive feelings about the powers of U.S. states in relation to the Federal Government, may now be on the backburner until after the Presidential election next year.

Mr Regan, answering questions on the announcement yesterday, was unable to put a date on the timing for the working party's duties.

"We will try to do this as quickly as possible," he said. "This is something we do not want to have dragged on." He expected that the members of the working party might be agreed next week.

CONSUMER PRICES RISE

CONSUMER prices in the U.S. rose more rapidly in August, largely because of increasing petrol prices, the Commerce Department reported yesterday, Steward Fleming writes.

The index rose a seasonally adjusted 0.4 per cent in August, the Department said—an annual rate before compounding of 4.8 per cent. This compared with 0.2 per cent (2.4 per cent annual rate) in July.

Increasing petrol prices accounted for about half the acceleration, but food prices also rose following a decline in July.

Earlier in the week, however, the Government reported that on the basis of the Gross National Product deflater—a broader index than the retail price index—prices are estimated to have risen at their lowest rate for 10 years in the third quarter as a whole.

Argentine amnesty announced

By Peter Bains in Buenos Aires

THE Argentine Government yesterday announced its long-expected amnesty law, which was immediately condemned by the political parties and human rights organisations.

The final text of the law extends the benefits of the amnesty to the security services, former guerrillas and other political dissidents, between May 25, 1973 and June 17 1982.

But the opposition says its main intention is primarily to benefit the security services who have been accused of 15,000 to 30,000 deaths and disappearances.

The dates cover almost 10 years of political violence in the country during which a Peronist and later a military administration were in office. The cut-off date is set after General Leopoldo Galtieri was deposed from the presidency.

Former guerrillas living abroad or in hiding within Argentina are specifically excluded from the amnesty. So too are those guilty of "economic subversion," an ambiguous category introduced by the military regime.

Put on the state books only 37 days before the general elections, the law is likely to have only a brief life. Both major political parties, the Radicals and the Peronists, have promised to repeal it.

Mexico cuts peso rate

MEXICO yesterday began to depreciate its free rate for the peso regularly by 13 centavos a day against the dollar to avoid a fresh overvaluation of its currency and maintain its present dual exchange rate system, writes William Chislett in Mexico City.

The free rate, which has remained virtually unchanged at 149.10 pesos per dollar since last December 20, slipped to 149.23. The controlled rate of 130.88 pesos per dollar for debt repayments and essential imports will continue its daily decline of 13 centavos which has gone on for the past nine months.

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Spain's Economy Minister unveils cautious budget

BY TOM BURNS IN MADRID

SPAIN'S Economy Minister, Sr Miguel Boyer, yesterday unveiled a cautious 1984 budget, the first full budget since the country's Socialist Government took office last December.

It is aimed at reducing the deficit by holding down Government spending and by slightly increasing income tax.

"Fortunately, the Socialist Government is realistic," Sr Boyer said. The budget reflected "the limitations of reality."

In accordance with Spanish custom, he deposited the breakdown of the budget proposals in Parliament in advance of budget debates scheduled to start next week.

In the 1984 budget, the deficit is brought down from representing 6 per cent of Gross Domestic Product to 5.5 per cent.

Containment and reduction of what Sr Boyer termed "an enormous structural deficit" emerged as the chief focus of the Economy Ministry's policy.

The Spanish deficit had shot up from just over 3 per cent of GDP in 1981 to just under 6 per cent in 1982 and to 6 per cent by last week.

Sr Boyer said the 1985 budget would aim to reduce the gap to 5 per cent of GDP and to 4.5 per cent the following year, the last of the Socialist Government's four-year mandate.

Sr Boyer claimed that the planned reduction of the deficit was proportionately greater than in other Western economies. "A continued 6 per cent budget deficit would seriously threaten investment in non-public sectors of the economy," he stated.

Although the deficit would be down when set against GDP, the net deficit which is planned as Ptas 1.3bn (£5.7m) is up on 1983's Ptas 1.1bn shortfall.

Sr Boyer said that spending in the 1984 budget would total Ptas 5.3bn and that income would gross Ptas 4bn.

The chief thrust of Sr Boyer's fiscal policy is to raise income tax. The basic income tax rate on an income of Ptas 3m for a family with two children will be 22.9 per cent, higher than last year. Incomes of Ptas 1m will be taxed at the 1983 rate. Sr Boyer said that corporation taxes would remain stable but that capital gains taxes and death duties would be increased.

Dismissals threat lifted

BY OUR MADRID CORRESPONDENT

WORK RETURNED to normal at the troubled state-owned integrated steel plant of Altos Hornos del Mediterraneo (AHM) at Sagunto yesterday, after management decided to lift dismissal notices.

The 150 workers, who had been defying management orders by working on a discontinued production line, agreed to work elsewhere in the plant.

The work-in and the subsequent sackings could have led to a major clash between unions and the Socialist Government. The unions had threatened a national steel walkout unless the dismissals were lifted.

The management climbdown appeared, however, to be only a temporary face-saver. At the centre of the conflict is the Government's plan eventually to close AHM, which has 4,000 workers.

Some 2,000 men are due to be made redundant soon in what the Industry Ministry sees as a major test for its controversial and ambitious policy of streamlining loss-making concerns.

The decision to lift the sackings and to end the work-in was reached at a meeting between union leaders and AHM management in Madrid

Strikes set to continue in Belgium

By Our Brussels Correspondent

BELGIUM'S public-sector strike looked like continuing in parts of the country last night as the state-owned steel giant Cockerill-Sambre warned it would have to close some of its operations on Monday because supplies of raw materials were drying up.

There are now clear signs of a split between the main trade unions following a decision by the Christian Democrat union, the CGSP, to call on its members to return to work.

The public sector wing of the Socialist FGTB union was meeting last night to determine its response to the Government's watered-down plans to cut public-sector pay in 1984. Observers noted a strong mood of opposition to the deal among the rank-and-file.

The situation in the country remains confused, with most public transport at a standstill and postal services paralysed.

Support for continuing the dispute is weaker in Flanders than in the traditionally more militant French-speaking region of Wallonia. FGTB unionists in Wallonia have called for a 48-hour strike from Monday to include the private sector.

The Centre-Right coalition Government has accused the Socialists of trying to create a "political strike" out of the issue.

Nigeria seeks to clarify IMF position on loan

BY QUENTIN PEEL, AFRICA EDITOR

TOP NIGERIAN officials are urgently seeking clarification of the position of the International Monetary Fund (IMF) on their current negotiations for a three-year extended credit of more than $2bn (£1.2bn) following the Fund's decision to curtail new loan commitments.

The officials had hoped to conclude negotiations in meetings coinciding with the annual meeting of the IMF next week, in order for the facility to be approved by the board before the end of the year.

Nigeria had also hoped to qualify for a loan under the Fund's compensatory financing facility, intended for countries facing a sharp drop in commodity export earnings, because of the slump in its oil exports.

The credits are needed to tide the country over a balance-of-payments crisis precipitated by the international oil glut, and help it repay an estimated $4bn in arrears on short-term trade payments.

The Government has already agreed on the refinancing of some $1.8bn in arrears on confirmed letters of credit, in two separate deals with more than 60 international banks.

Nigeria's quota at the IMF is SDR 540m (£377.6m), which would allow it to draw up to SDR 2.43bn (£1.7bn) if the Fund is still prepared to make advances up to 450 per cent of quota.

Nigerian officials have indicated they are seeking some SDR 2bn (£1.4bn). However, the IMF's current cash squeeze could mean that they will be unable to draw more than 150 per cent of quota, or SDR 810m (£566.4m).

Mr Victor Masi, the Nigerian Minister of Finance, is due to attend the annual meeting, with Alhaji Abubakar Alhaji, the permanent secretary at the Ministry of Finance, and Alhaji Abdulkadir Ahmed, governor of the Central Bank of Nigeria.

Modest decline in Bonn trade performance

BY JOHN DAVIES IN FRANKFURT

WEST GERMANY has suffered a modest setback in its trade performance, although its international accounts still show robust health.

The strength of the U.S. dollar, which has increased the cost of some imports, is one of the factors which have restrained West Germany's trading results. In the first eight months of this year, the country's trade balance produced a surplus of DM 26.8bn (£6.7bn) about DM 4bn less than in the same period last year.

Although there are signs of an uplift in export ordering, there are some doubts now whether West Germany will achieve its earlier goal of exceeding last year's record DM 51.3bn trade surplus. But the balance of payments current account—which includes services as well as trade—is well ahead of last year.

The current account showed a DM 400m deficit in the first eight months, compared with a DM 3.5bn deficit at the same stage a year ago. The deficit in August—usually a poor month because of holiday spending abroad—was DM 3.4bn, a worsening on the DM 2.9bn deficit a year before.

The remaining months of the year traditionally produce a strong current account surplus, so it is still likely that the outcome will exceed last year's DM 8.5bn surplus.

West Germany's exports have shown only moderate signs of revival since late last year. While sales to the U.S. and the UK have improved, there has been a weakening in exports to France, the Middle East and Latin America. Imports, however, have picked up with the slight recovery in the economy.

Oil 'will keep key role'

By JOHN ELLIOTT IN NEW DELHI

THE SUBSTITUTION of oil by other sources of energy will be neither so easy nor so fast in the future as it has been in recent years, according to a report issued on the closing day of the World Energy Conference in New Delhi yesterday.

The role of oil in the world's total energy demand fell from 46 per cent of the total, to 43 per cent between 1973 and 1980. The greatest hindrance to further reductions would be a lack of consumer motivation.

It was also forecast that the use of coal in electricity generation would double between 1980 and the year 2000.

A major theme of the five-day conference has been that a growing number of countries intend to move as rapidly as possible towards self-reliance in energy resources.

Israeli opposition ponders Shamir's coalition offer

BY DAVID LENNON IN TEL AVIV

ISRAEL'S opposition Labour Party and its junior allies will meet tomorrow to decide how to respond to the invitation from Mr Yitzhak Shamir, the would-be premier, to join in a national unity Government with the right-wing Likud coalition.

Labour Party leaders met yesterday for preliminary discussions, but decided to postpone any decision until next week. Senior party figures, such as Mr Shimon Peres, the chairman and Mr Yitzhak Rabin, the former Prime Minister, have already expressed their reservations about joining a Likud-led coalition.

Mr Peres explained that the policies of Likud and Labour are diametrically opposed on a number of major issues. In his opinion, it will be almost impossible to reconcile their differing ideologies.

But Mr Haim Zadok, one of Labour's leader statesman, and a former Justice Minister, has urged the party at least to consider the offer. He advocates meeting Mr Shamir to see what type of joint platfrom he would be willing to offer.

Mr Shamir has indicated that he would be willing to hand senior Cabinet posts to Labour if it joined the coalition. What he has not made clear is to what extent he would moderate the expansionist policies of his party, something opposed strongly by the bulk of the Labour Party.

Meanwhile, Mr Shamir is continuing contacts with the partners in the outgoing coalition on the arrangements for reconstituting the coalition in its current format of 64 out of the Knesset's (parliament's) 120 members

Australians' pay up 4.3% after freeze

By Michael Thompson-Noel in Sydney

AUSTRALIA'S nine month old wage freeze ended yesterday when the Arbitration Commission in Melbourne awarded the country's 6m workers a 4.3 per cent pay rise — the first under a new system of centralised wage indexation. Adherence by the unions to the new pay agreement, which was opposed by employers, could be crucial to the success of the federal Labor Government in Canberra.

New national wage guidelines will be in force until October 1985. In the view of most observers, savage wage inflation was one of the main factors harming Australia's price competitiveness in world markets, prior to imposition of the wages pause by the former Liberal-National Party government last December.

Under the new pay system, the Commission will not approve any reduction in working hours below the standard 38 per week.

Mr Bill Kelty, secretary of the Australian Council of Trade Unions, said in Melbourne he was confident the unions would give an undertaking not to seek pay increases outside the new system.

The end of the wages pause and the 4.3 per cent pay award were condemned by employers. Mr Bryan Noakes, director of the Confederation of Australian Industry, said there was no justification for the award. Employers said the wages pause should have been extended at least to the end of the year.

U.S. may seek extraditions in Marc Rich case

By Paul Taylor in New York

THE U.S. State Department confirmed yesterday that it is studying various options for seeking the extradition of Mr Marc Rich and Mr Pincus Green from Switzerland to face criminal charges in the Marc Rich commodity trading case.

The State Department did not elaborate on what options are being considered.

The U.S. could seek extradition under a 1900 treaty with Switzerland or under an international agreement on mutual assistance which came into effect at the start of the year. The agreement provides for extradition where alleged crimes are punishable in both countries.

Both Mr Rich and Mr Green, together with Mr Clyde Meltzer, a New York oil trader, are due to appear in court next Thursday to answer charges of racketeering, fraud and tax evasion cited in a grand jury indictment made public earlier this week.

The 'U.S. unsinkable' sails for Lebanon

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE 41-year-old U.S. New Jersey, now sailing towards Lebanon, is the world's only battleship on active service and probably as near as anything afloat to being unsinkable.

The 58,000-ton World War II veteran has now been in and out of mothballs three times, emerging most recently from Long Beach naval dockyard after a $321m refit last December.

The New Jersey, capable of well over 30 knots, still looks much as she did when first launched in December, 1942, exactly one year after Pearl Harbour — apart from the mass of modern electronic equipment now bristling from her masts.

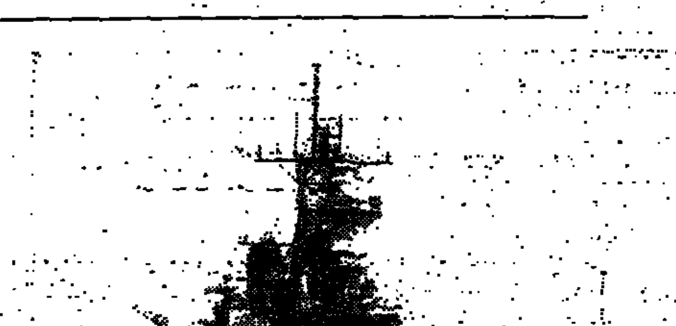
Four of her 16 five-inch guns, her small calibre guns and her machine guns have been removed to make way for conventionally armed Tomahawk and Harpoon cruise missiles.

She carries the Vulcan-Phalanx close-in weapons system that the Royal Navy's Illustrious was equipped with last year as a defence against sea-skimming missiles such as the Exocet.

Her pride, however, remains the nine 16-in guns that saw action in an honour-roll of World War II battles from Saipan to New Guinea, and the Philippines to Okinawa and Iwo Jima. She was at the Inchon invasion in the Korean war and "on the gunline" in Vietnam.

The U.S. Navy likes to say that her 16-in shells are as expensive as a Cadillac and as heavy as a Volkswagen. They weigh 2,700 lbs each and have a range of over 20 miles, twice that of her 70 lb five-in shells. The destructiveness is in proportion to the weight.

The 16-in shells are in many ways more effective than carrier-based air strikes, the Navy says. They can be fired round the clock and do not put a pilot's life at risk.



The battleship New Jersey: back on active service

The New Jersey was built to survive strikes by torpedoes and shells of up to 18 inches. She has a 16-in belt of armour round her sides and a heavily armoured superstructure.

Cruise and Exocet missiles would bounce off her just as a Japanese Kamikaze aircraft did in October 1944, the Navy boasts, making her "one of the most survivable ships ever built."

Next July, she is to be joined on the world's oceans by her sister ship the Iowa, currently also being refitted as part of the Reagan Administration's plans to rebuild U.S. world-wide naval power.

The Navy would like the same treatment for the still-moth-balled Missouri and Wisconsin. There is no nostalgia about the request. "These ships are incredibly powerful," the Navy says.

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BP shares sale offer closes without 'hitch or embarrassment'

The City of London ended the week in a mood approaching self-congratulation, after the Government's offer for sale of 130m British Petroleum shares closed at 10.01 am without hitch or embarrassment, writes Dominic Lawson.

The serene progress of the BP offer is already being described as a "model compromise" between the Government and the City, after the undignified scramble for shares in Cable & Wireless and Amersham International, and the damp squib of the Britoil float.

Last Friday the Government offered the shares at a minimum tender price of 405p. At that time the BP share price was 426p, but yesterday the shares closed at 436p, as the market's uncertainties dissipated.

The Bank of England will not make any announcements regarding the striking price and the basis of allocations until first thing on Monday morning. But indications last night were that applications had been received for more than 150m shares at a price of at least 430p each.

The decision on the striking price will come after a weekend of discussions between the Government and its advisors. It is estimated that it will take the four major clearing banks until at least Saturday afternoon to sort all the applications.

The City-based new issue departments of Barclays, Midland, National Westminster and Lloyds all opened an hour early at 8 am, to avoid even the possibility of an unsightly rush.

The first three reported scenes of good mannered orderliness. But a member of the Lloyds new issue department said yesterday: "It was very busy and queues formed."

The Government inserted a clause in the offer called the "striking price application" in an attempt to attract smaller investor. This enabled those applying for not more than 1,000 shares to opt out of the complicated auction process characterising the tender method. Instead they could apply to be allotted their shares at whatever price was eventually struck.

Stockbroking firms with large private client bases confirmed yesterday that the Government's simplified method had proved popular with smaller investors. It was thought that as many as 25m shares had been applied for under the "striking price" method.

If the Government and its advisors decide on a striking price of 430p the Government will net £536m from the sale, after expenses. The BP sale is the largest component in the plan of Mr Nigel Lawson, the Chancellor of the Exchequer, to raise £1.25bn this financial year from the sale of state owned assets.

British Midland takes over Loganair

By Lynton McLain

BRITISH MIDLAND AIRWAYS has agreed to buy a controlling interest in Loganair, the Scottish regional airline, from the Royal Bank of Scotland.

The development, announced in Glasgow yesterday is part of a strategy to expand British Midland's role as the largest private domestic UK airline and to undermine further the Anglo-Scottish business of state-owned British Airways.

British Midland has established itself as the greatest threat to BA on the routes from Heathrow to Glasgow and Edinburgh since it started flights a year ago and subsequently captured over a quarter of the market.

The purchase of Loganair for less than £1m will give British Midland an established network of about 20 routes in and around Scotland to feed passengers from outlying areas to its "hubs" at Glasgow and Edinburgh.

British Midland also sees the acquisition as an important part of its case to operate transatlantic services from Glasgow. There are no direct, scheduled services between Scotland and North America as a result of BA's decision to lapse its services from Prestwick Airport, Ayr, to New York.

British Midland has applied to the Civil Aviation Authority to take the licence from BA and fly from Glasgow to New York. The hearing is on November 14.

Mr Michael Bishop, chairman of British Midland, said: "We believe that a truly successful transatlantic service can be reintroduced by a British carrier only if this service can serve all destinations in Scotland through a network of connecting feeder services."

He said the jobs of the Loganair staff would be secure.

Loganair, with a £10m turnover from operating its fleet of 15 small feeder aircraft incurred losses for the four years to the end of December, but is expected to make a profit this year. British Midland made £2.25m pre-tax profit on £80m turnover in the year to December 31 1982.

Posgate's auditors quit

By John Moore, City Correspondent

NEVILLE RUSSELL, the accountants, have resigned as auditors to Posgate and Denby, Mr Ian Posgate's underwriting agency at Lloyd's.

The move follows a row over comments by Mr Posgate, once the star underwriter with Alexander Howden Group, who questioned the independence of Neville Russell within the Lloyd's community... Neville Russell is recognised as a leading specialist in Lloyd's audits.

Neville Russell said this week that "in view of the uncertainty about our position as auditors of the (insurance) syndicates managed by Posgate and Denby (Agencies)" it had resigned as auditors of both syndicates with immediate effect.

Posgate and Denby have been grooming Price Waterhouse to take office as the company's auditors subject to the approval of the committee of Lloyd's.

Building society interest rate battle intensifies

BY MARGARET HUGHES

THE Abbey National Building Society is to increase further the rate it pays on seven days' notice account.

The decision, announced yesterday, is likely to intensify the battle among building societies for investors' funds. The move came only two weeks after Abbey had decided on an earlier increase.

Abbey says it is responding to plans by its main rivals—the Halifax, Nationwide, Leeds and Woolwich—to increase the rates they pay on their 28 days notice accounts to make them more competitive with the Abbey.

All four societies confirmed yesterday that they were planning to increase the higher interest rate which they pay on these accounts from the present ¾ of a percentage point above the ordinary share rate to 1 per cent from October 1. At present rates this means increasing the rate from 8 per cent to 8¾ per cent.

On hearing Abbey's news three of the big four said they would review the proposed increase. Halifax said it would stick by its plans to raise the differential by 1 per cent and no more.

Two weeks ago Abbey National gave 28 days notice to the Building Societies Association (BSA) at the same time as it withdrew from the interest rate cartel—that it proposed raising the seven days' notice account differential from ½ per cent to ¾ per cent. This meant it would pay the same rate as the other big four on their accounts which require 28 days' notice.

This in turn prompted the Halifax, Leeds, Nationwide and the Woolwich to decide to increase their differential from ¾ of a percentage point to 1 per cent.

Abbey National said yesterday it had been surprised by its rivals' plans, claiming that it had not received the expected advance notice of their intentions. It was putting up its differential by a further ¼ of a percentage point to 1 per cent and would not be giving the normally required 28 days' notice, but would be paying this higher rate from October 1.

Abbey argued that it was not required to give the BSA 28 days' notice since its original notification stated the proposed increase was to maintain parity with its competitors' accounts and if necessary, it would take further action to maintain its competitiveness.

Fears of collapse in car sales prove unfounded

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MOTOR INDUSTRY fears that there might be a collapse in car sales after the record 374,600 A registrations in August have proved unfounded so far.

Registrations in the first 20 days of September were 3 per cent more than those for the same period last year, at nearly 82,000, said the Society of Motor Manufacturers and Traders.

However, the expected plunge in Ford's market share has taken place. Ford captured 31 per cent of the August market with 116,000 cars registered: the first time it had sold more than 100,000 in a month.

In the first 20 days of September the Ford market share was only 18.69 per cent. Apart from the pull-forward effect of its sales efforts in August, the company was hit by two other factors.

An industrial dispute at the company which delivers cars from Ford's Halewood plant on Merseyside prevented many best-selling Escorts leaving the factory in early September at a time when stocks in the dealers were low.

It is well-known that the Fiesta is to be replaced with a "facelifted" model next month, and this has cut sales of the small car.

The group's market position generally improves as the month progresses, and it will be neck-and-neck between Ford and BL at month-end. After 20 days BL had a 22.21 per cent market share. Vauxhall-Opel was third with 14.09 per cent.

The SMMT believes that car sales in September may well match the 114,044 in the same month last year.

Boost for incentives in North-west

By Ian Hamilton Fazey

TAKE-UP of Government aid for high technology and industrial investment has been so poor in the North-west that the Department of Trade and Industry is to open an office in Liverpool next month to promote incentives.

Senior staff are moving from London and Manchester to form a 20-strong team. The initiative is being pushed by Mr Cecil Parkinson, Trade and Industry Secretary, who announced it on a tour of Merseyside yesterday.

He said the office would work with the Merseyside Task Force, *which reports to Mr Patrick* Jenkin, Environment Secretary. The work of the task force, set up to mastermind government initiatives after the 1981 Toxteth riots, had revealed a gap that the office is designed to fill.

Much of its efforts will be aimed at persuading companies to take up aid. Computer-aided design, small firm investment grants, and microprocessor applications have been singled out by Mr Parkinson as particular targets. The North-west's share of national take-up of available money in these sectors is about 8 per cent. The aim is to double this proportion, concentrating on Merseyside.

The team will also work on improving exports from the region and Mr Parkinson will stress incentives for inward investment on his trips abroad. Mr Parkinson said: "We are not blaming anyone for the low take-up. Maybe we have not been pushing schemes hard enough. There is still a very solid industrial base here to build upon."

Pirelli jobs go in S. Wales

By Robin Reeves

PIRELLI GENERAL is to make 170 workers redundant at its Aberdare special cables plant in South Wales, so as to phase out products which have become unprofitable. The plant employs 250 people.

The company also warned that the future of its Aberdare operations dependen on the site's performance over the next two years.

Also in South Wales, the U.S.-owned Black Clawson International announced a reorganisation involving the end of iron and steel castings manufacture at Newport by the end of the year.

Swedish company to buy stake in BP's N. Sea Forties Field

BY RAY DAFTER IN LONDON AND DAVID BROWN IN STOCK HOLM

BRITISH PETROLEUM is about to sell a stake in its big North Sea Forties Field to Swedish interests. *The sale is part of a* package of deals expected to raise considerably more than £260m.

The Swedish company is Oljekonsumentarnas Forbund (OK) which said the Forties interest would be owned by its UK subsidiary, OK Exploration UK, once necessary approvals had been obtained from Britain's Energy Department and Swedish banking authorities.

Trafalgar House, which has embarked on a major North Sea expansion programme, is also believed to be negotiating for a significant part of BP's Forties interest.

OK and Trafalgar House are thought to be the mystery buyers interested in acquiring about 1 per cent each of BP's 95 per cent holding in Forties.

BP is offering a further 10 per cent under a unique tendering package.

It was initially suggested that the whole sale would raise about £260m, but BP is confident from the response by other companies that the income will be substantially more.

OK, a large Swedish oil co-operative, plans to export its share of Forties crude oil production—about 1.25m barrels annually over the next three to four years—to Sweden's west coast, via Scotland. "This is a way of securing supplies by buying into a producing company," said Mr Lennart Andersson, OK's chief executive.

OK obtains about 75 per cent of its refinery requirements on long term contracts from North Sea producers including British National Oil Corporation (4.7m barrels a year), BP (1.9m barrels annually), and Statoil of Norway (2.5m barrels a year).

Mr Telle Andersson, OK's finance director, would not elaborate on the financial *arrangements, but said* the co-operative would buy the interest with its own funds.

Neither BP nor Trafalgar House would confirm that they were negotiating a similar deal. However, *Trafalgar House said* that "along with other people" it had called for information on BP's Forties interest. This was being evaluated.

Mr Nigel Lawson, the Chancellor of the Exchequer, closed a tax loophole which BP intended to exploit in the Forites sale; however, a large number of companies have registered an interest in the 10 per cent sale-by-tender.

BP is selling part of its Forties interest in small lots, each representing 0.25 per cent of the field, to raise cash for further exploration and development.

BNOC seeks to keep N. Sea rate

BY RICHARD JOHNS

THE British National Oil Corporation has proposed to suppliers and customers that the basic North Sea oil price of $30 a barrel should remain unchanged in the fourth quarter of this year.

As expected, BNOC is in favour of keeping rates in line with those of the Organisation of Petroleum Exporting Countries but is suggesting changes in price differentials of various crudes. On average the proposals—if agreed—should lead to a marginal average increase of about 0.6 per cent.

Brent Blend, since the spring used as the North Sea reference price and predominantly made up of the crude flowing from the second biggest UK field, will remain at $30. BNOC, however, is proposing that the gap between it and crude from British Petroleum's Forties Field should be cut from 25 cents to 10 cents.

Esso and, to a lesser extent, Shell—the two companies owning the licence interest in the Brent Field—have complained that they have been put at a commercial disadvantage by the $29.75 set for Forties oil. This level was set in April. The companies reluctantly agreed to it as part of the compromise aimed at stabilising the world market.

Although the issue between the Esso-Shell partnership and BP has not been resolved, BP may not object to a compromise because the gap in the spot prices of Brent and Forties oil has closed over the last two days to 15 cents. Brent yesterday was being quoted at $30.30 and Forties at $30.15.

BNOC is also proposing a 30 cents increase for Britoil's Beatrice Field to $29.50 a barrel, 25 cents for Hamilton's Argyll to $29.70, 25 cents for Shell's Auk to $29.30, 25 cents for Mobil's Beryl to $30.25 and 50 cents for BP's Buchan to $29.

Officials tackle Ulster lorries seizure

BY BRENDAN KEENAN IN DUBLIN

OFFICIALS of the Department of the Environment in Northern Ireland are to meet their opposite numbers in the Irish Department of Transport to try to sort out customs regulations which have led to the seizure in the Irish Republic of a number of lorries from Northern Ireland.

Road hauliers in Northern Ireland (say eight or nine trucks have been seized for what they regard as petty reasons, such as unhitching the articulated trailer and parking it overnight in the Republic.

In some cases the hauliers have had to pay £1,000 to get their trucks back and this can take up to a month.

The northern operators believe the Irish customs authorities are interpreting a 1980 agreement between the UK and the Irish Republic far too strictly. Under the agreement a carrier in one country cannot pick up goods in the other country for delivery in that country.

This is known as "cabotage" and the Republic's customs have seized 40 to 50 vehicles in the past year for breaches of the regulation. The dispute centres on the exact definition of picking up and setting down goods.

Fowler says more health job cuts agreed

By Gareth Griffiths and Brian Groom

MR NORMAN FOWLER, the Social Services Secretary, said yesterday that agreement had been reached on new manpower levels with seven regional health authorities as a storm broke over the first job cuts in the National Health Service for 30 years.

In addition to the targets for Mersey, South East Thames and Northern which were announced on Thursday with the loss of 1,800 jobs, manpower figures have been agreed for Trent and East Anglia.

It is believed that Oxford has also come to a deal but the Department of Health and Social Security last night declined to specify the other regions referred to by Mr Fowler in a speech in Sheffield.

Both Trent and East Anglia will be allowed to increase their staff this year, although by considerably less than they wanted.

Trent is to increase its staff from the 74,016 March figure to 74,536, a rise of 520 compared to the 1,100 wanted.

East Anglia's staff numbers are to go up from 29,891 to 30,266, an increase of 374 compared to the 700 extra it wanted. Both authorities benefit from the way health service funding goes to regions with greater need. They have new general district hospitals coming into operation this year.

Yesterday the North-West region saw Mr Kenneth Clarke, the Health Minister, to discuss its manpower target.

A major row is brewing between the West Midlands region and the DHSS over manpower figures. The region has been held up in Conservative Party circles as the one that has *done most to shift resources to* priority groups in line with Government policy. A row could prove embarrassing.

The regions have been told to look at their manpower since July. The aim is to cut between 0.75 per cent and one per cent of the NHS staff of 828,000 in England by March, with most cuts concentrated among non-medical staff.

Mr Fowler defended his department in an interview on BBC Radio saying: "The Health Service is safe with the Conservative Government."

Mr Trevor Clay, general secretary of the non-political non-TUC Royal College of Nursing, said he was beginning to "seriously doubt" the truth of Mrs Thatcher's pre-election statement that the NHS was safe in Tory hands.

He demanded urgent talks with Mr Fowler and called for a massive "public uprising" against the job cuts. "The NHS is in real danger of collapsing," he said.

Mr Clay said 12,000 to 20,000 jobs could go, considerably above the 8,000 implied by the Government's target.

A survey by the National Association of Health Authorities of the way in which the 1 per cent reduction in cash limits announced in July are being coped with shows that only four-fifths of the cuts are being borne by districts and a fifth from reserves and cuts by regional headquarters.

PROFESSIONAL FOOTBALL SEEKS INVESTMENT

Clubs get a kick out of market listings and ground development

BY RAY MAUGHAN

FUNNY business, football. Here is Tottenham Hotspur, languishing at the wrong end of the first division of the League, about to become the first professional club to obtain a full listing on the London stock market.

Wolverhampton Wanderers, newly promoted to the first division but within minutes of liquidation last year, is drawing in substantial Government grants to re-build its stadium, and a leisure centre and a sports complex.

Arsenal, the only club to have played all its league football in the first division, is looking to come to market but, unlike Spurs, its big north London rival, the Gunners are considering an entry to the junior unlisted securities market (USM). Queen's Park Rangers, an adventurous first division club based in west London, is thought to be contemplating a USM quote. And professional football is supposed to be going broke.

Strangest of all, Chelsea Football and Athletic Club is about to lose its ground for two seasons. The club is in the second division and plagued by fearsome violence from supporters. Now its stadium at Stamford Bridge, on the fringe of the fashionable Fulham and King's roads in London, has been sold to a property development company, Marler Estates.

Television unions permitting, Tottenham's match against Nottingham Forest will be screened live on Sunday week. On the following day, if all goes to plan, the club's brokers, Shephards and Chase, will advertise details of a full offer for sale to raise £3m. Applications for the offer will open and close three days later. From the Monday after that, Tottenham fans will be able to watch their club's share price on the Stock Exchange screen.

Marler is headed by Mr David Bulstrode, who is based in the Channel Islands. It is undertaking the Stamford Bridge development, the chairman explained yesterday, as another of those "tricky developments" which the big investing institutions find too complicated to touch.

Chelsea sold its stadium and pitch in the late 1970s, at a time of acute financial difficulties caused largely by the construction of a hugely expensive grandstand and declining team performances. The buyer was SB Property, a free-standing company controlled by Mr David Mears and Viscount Chelsea, club directors, which leased the premises back to the club in an agreement which still have five years to run.

SB's controlling shareholders have now agreed to sell out to Marler on the basis of a valuation at £1.25m, which will be satisfied by the issue of 1m new Marler shares. The shares are valued for the purposes of the deal at 125p, which is said to be equated to an up-to-date asset valuation and a stock market price of 91p—up by 6p yesterday.

Mr Bulstrode claims that, under the terms of the agreement between SB and the club, it was always envisaged that the ground would be redeveloped. Marker has not made detailed proposals for rebuilding, or said how redevelopment of the 14 gross acres will be paid for, or how much that will cost.

It is likely, however, that Stamford Bridge's new face will not be very different from that at Crystal Palace in South London, where J. Sainsbury was brought into a key element of the Selhurst Park ground.

Whatever happens, Stamford Bridge is to close for two years, although not until the end of this season at the earliest and Marler is obliged to find a new venue for the club's home games during that time.

Wolverhampton's plight was as desperate as Chelsea's in 1982, or even more so. The Receivers were on the point of closing the club when Mr Derek Dougan, a former star player for the club, and Allied Properties arrived to save the situation.

Promotion from the Second Division at the end of last season helped and now a £2.14m grant towards the first two phases of rebuilding at the Molineux ground has been approved in principle by the Department of the Environment. The proceeds will be used to rebuild old grandstands on three sides of the ground and to develop a leisure centre, a youth club and an indoor sports hall. A further £6.7m will be raised privately, it is hoped, in a joint project headed by Allied Properties and Wolverhampton Borough Council.

But nobody has suggested that Wolves will have to find somewhere else to play while the redevelopment goes on.

Barnsley coalfield strike likely to escalate

BY DAVID GOODHART, LABOUR STAFF

THE STRIKE which has closed Barnsley coalfield for the past three days over disciplining of a miner looks like turning into a major rank-and-file revolt, for Yorkshire area of the National Union of Mineworkers and indirectly for the national leadership.

Yorkshire NUM will today discuss the dispute. This continues in defiance of a union ruling that the National Coal Board's offer of re-employment for the miner alleged to have hit a superviser should be accepted.

Mr Jack Taylor, Yorkshire Area NUM president, yesterday received a rough reception from miners when he attended a mass meeting at Dodworth pit where the dispute began.

The branch decided to spread the action by sending pickets to Doncaster Area. Though pickets were successful in stopping the day-shifts at three Doncaster pits, Goldthorpe-Highgate, Hickleton and Markham Main, the board later reported normal working had been resumed at all but Goldthorpe-Highgate.

There were reports of miners crossing picket-lines at Ferrymoor-Riddings.

Most of Barnsley's 14,000 miners, however, appear to be solidly behind Mr George Marsh, from Cudworth. He was initially dismissed by the board following the alleged incident with a supervisor but was later offered a transfer from Dodworth to Barrow colliery.

● *Another loss-making* South Wales pit, Wyndham Western colliery in the Ogmore Valley, is to close because of "hopeless mining conditions," the board said yesterday. The 537 miners will be offered jobs at neighbouring pits, or redudancy payments.

NUM officials, who met board management in Cardiff, were told the 113-year-old pit lost £19m in the past three years. Its remaining coalface recently produced less than 1,000 tons a week.

Wyndham Western, near Nant-y-Moel, Mid-Glamorgan, is one of South Wales's oldest pits

Murray rejects talks with SDP

MR LEN MURRAY, the TUC *general secretary, has* rejected Dr David Owen's offer of talks between the TUC and the Social Democratic Party on industrial relations legislation.

There is "little prospect" of a useful meeting, says Mr Murray's letter.

Dr Owen had asked if the *SDP could talk to the TUC* leadership about the Government proposals on industrial relations legislation and the SDP attitude to them.

Mr Murray replied that the SDP statement on the proposed legislation made it clear that in the SDP's view the Government's proposals in some respects did not go far enough.

The statement said that the SDP remained committed to *legislation on postal ballots,* strike ballots and contracting-in for the political levy.

Mr Murray remained of the view "that the divergence between the SDP's position and the TUC's position on this issue offers little prospect of a useful meeting."

He promised to send Dr Owen a copy of the TUC statement to Mr Norman Tebbit, the Employment Secretary, *after* it was *finalised* by the TUC Employment Policy and Organisation Committee

Merchant Navy officers lodge 6½% pay claim

LEADERS of 30,000 merchant navy officers yesterday lodged a 6½ per cent pay claim with the shipowners, the General Council of British Shipping. They also sought other improvements including optional early retirement and bigger severance payments.

Mr Eric Nevin, general secretary of the Merchant Navy and Airline Officers' Association, said that the claim was "modest."

The two sides meet again on November 4.

Firemen back Kinnock and Hattersley 'dream ticket'

FIREMEN are supporting the so-called "dream ticket" of Mr Neil Kinnock and Mr Roy Hattersley in the Labour Party leadership elections.

Returns from Fire Brigades Union branches show that Mr Hattersley polled 1,478; Mr Kinnock 1,297; Mr Michael Meacher 423; Mr Denzil Davies 238; *and* Mrs Gwyneth Dunwoody 219 in a deputy leadership ballot.

There was no recommendation from the union executive for the deputy leadership.

In a similar ballot on the leadership Mr Kinnock polled 2,945; Mr Hattersley 873; Mr Peter Shore 346; and Mr Eric Heffer 134. The executive had recommended Mr Kinnock.

The FBU affiliates 16,000 of its members to the Labour Party, although Mr Kinnock is romping *away in the leadership* race, the fight between Mr Hattersley on the Right and Mr Meacher on the Left for the deputy leadership is becoming increasingly close.

It could be decided by the 52 delegates of the Transport and General Workers' Union, with its 1,250,000 block vote, when they meet on October 2, the day before the Labour Party conference opens.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	9.00	2-yr. Bondshare, 3m. not/pen.
				8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 y. on dem. (int. pen.)
				7.75	7 days' notice, no int. penalty
Aid to Thrift	7.90	8.50	—	—	
Alliance	7.00	7.25	8.35	9.00	2 yrs., 3 mths.' notice/penalty
Anglia	7.00	7.25	8.25	9.00	2 yrs., 3 mths.' notice/penalty
				8.25	Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	7.75	7 days' notice, no penalty
				8.25	1 m. not. or on dem. (int. pen.)
				8.75	3 m. not. (int. pen.) reg. inc.
Britannia	7.00	7.25	8.25	7.75	7 days' not., 8.25 2 mth.'s not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	*Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.50	im. wdl. (int. pen.) or 1 m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.30	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-9.00	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	—	7.25	8.50	9.25	Subject to notice/balance
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	9.00	Tip Top Acc. 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	9.25	2 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.10	28 days, 8.25 3 months
Leamington Spa	7.10	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	9.00	2 yrs., 8.75 5 yrs., 8.25 1 m. pen.
Leeds Permanent	7.00	7.25	8.25	8.25	3 yrs., E.I. a/c £500 min. 8.00
Leicester	7.00	7.25	8.25	9.05	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. + pen.
Midshires	7.00	7.25	8.25	9.00	2-yr. Term Share, £1,000 min.
Mornington	7.50	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	9.00	2 yrs., £1,000 min. wdl. with 90 d. notice and pen. Bonus a/c 8.25 £500 min. im. wdl. with pen.
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand 28 days' interest penalty
New Cross	8.00	8.25	—	8.25-8.75	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00	High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	9.00	3 months' notice, 8.25 Bonus
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	9.00	2 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.25	Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.00	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Council of TUC likely to suspend Sogat

By David Goodhart, Labour Staff

THE General Council of the Trade Union Congress will *next Wednesday consider* the refusal of Sogat '82, the biggest print union, to comply with a disputes committee ruling not to accept about 800 national newspaper electricians into membership. The council is almost certain to activate machinery for suspending the union from the TUC.

Mr Len Murray, TUC general secretary, has told Mr Bill Keys, Sogat general secretary, he is extremely concerned at the union's decision not to expel the electricians who left the Electrical and Plumbing Trades Union complaining of "political intimidation."

Last Tuesday's Sogat executive decision, however, still leaves the door open to further discussion. It voted 20 to 14 in effect to set aside the *disputes committee ruling* pending outcome of more talks at TUC level.

Though there is pressure from within the union and from Mr Keys not to risk suspension, there is clearly a committed majority for keeping the electricians and facing the consequences.

With development of new technology a Sogat electrical-electronic section would *enhance the union's* bargaining power.

Some Sogat officials last night suggested Mr Keys *might call a special meeting* of the union's biennial delegate conference to try to overturn the executive's defiance of the TUC.

The suspension procedure will probably take a couple of months to unravel. Under TUC rule 13 the General Council must first decide if refusal to comply with a disputes committee ruling constitutes activity "detrimental to the trade union movement."

If it does, the TUC asks Sogat to represent its case. *Assuming the union has not* been persuaded to change its mind, the TUC then gives it a final warning. If that warning is ignored Sogat will be suspended from membership until the next annual congress.

The consequences of this complex dispute, however, will be felt in Fleet Street long before TUC procedures are completed. The Sogat breakaway group led by Mr Sean Geraghty claims at least 800 members. According to EPTU figures, however, at *least 400 of these* are probably hedging bets and taking out joint membership until the issue is resolved.

Electricians of the Financial Times and The Observer are both clearly dominated by the Sogat group. Associated Newspapers' electricians are firmly loyal to the EPTU. The situation on other national newspapers is disputed but Sogat probably dominates most.

The EPTU will not accept being pushed out of Fleet Street in spite of the long-running arguments between the left - dominated press branch and the right-wing union leadership.

Mr Les Stevens, secretary of the new EPTU loyalist branch said yesterday the union would expect managements to adhere to closed-shop agreements with the EPTU. These cover the 1,200 electricians. He said he *would have full support* from his executive for any action taken to restore the union's authority. The Amalgamated Union of Engineering Workers supports the EPTU but the position of the National Graphical Association the other print union, is uncertain.

Acas may be called in at Fawley

By David Goodhart, Labour Staff

THE three-week-old pay strike by 1,200 construction workers on the Esso refinery site at Fawley near Southampton could go to the arbitration service, Acas, next week.

The strike was yesterday made official by the Transport and General Workers Union —*the largest union involved* —but officials also approached Acas to suggest conciliation.

Bechtel, the main contractor and negotiating company, would not comment last night on the possibility of Acas talks.

The construction workers were building extensions to the Fawley site but some were also involved in maintenance work similar to that done by 600 people employed directly by Esso.

Comparability with the Esso workers is central to the *dispute.* Bechtel has offered an increase of about 5 per cent which would take the weekly skilled rate from £156 to £164 but Esso workers doing similar jobs are paid £180 to £225 a week.

Delegates cheer as Steel reunites warring factions

BY KEVIN BROWN

MR DAVID STEEL, the Liberal Party leader, won a five-and-a-half minute ovation yesterday for a keynote speech to the Liberal Assembly in Harrogate which offered no new policy initiatives, but skilfully bound the wounds of a week's party in-*fighting.*

Even Mr Cyril Smith, the MP for Rochdale, whose campaign for the deputy leadership fizzled out in the face of opposition from Mr Steel, was on his feet clapping at the end of the 50-minute speech.

In the spirit of the accommodation reached on Wednesday between the party hierarchy and the "community campaigning" wing of the party, the Association of Local Councillors, Mr Steel's speech was cluttered with the buzz-words of current Liberal radicalism.

He called for a "thinking and campaigning" party to take the "intellectual initiative" in the country. Most important, he referred to "organic merger" in the Alliance, which means leaving it to the local parties.

His speech was also remarkable for virtually ignoring the *Labour Party, which the* leadership now presents as a spent force,and for a bitter attack on the Government and on Mrs Thatcher personally, whom he characterised as out of touch and out of control.

The speech was as interesting for what it left out as for what *it included.* There was no mention of the Young Liberal motion on the reunification of Ireland, which was approved by *the assembly on Wednesday, or* of the battle over the deputy leadership.

Mr Steel began by accusing the two major parties of manipulating a Commons "utterly unrepresentative of popular opinion." He accepted that the electoral system would not be changed before the next election.

The Alliance with the SDP must continue to develop org-*anically and democratically* at every level, he said.

"But at the same time our proper commitment to decentralisation should not go so far as to leave us looking like a loosely knit ragbag with people free to act against the spirit of the Alliance in their region, city, or constituency. The Alliance has meant and will mean taking and accepting some very tough decisions," he warned.

Hugh Routledge

Lord Tordoff, the new Liberal president, welcomes Mr David Steel to the rostrum for his keynote speech

Mr Steel spelt out the leadership's hope that the deal worked out between the two parties on fighting European Parliament seats would be respected by local parties, and that most constituencies would accept the allocation for Westminster seats which were made at the last general election. That would help to avoid a major row over the selection process for new *candidates.*

Mr Steel called for the party to embark on a five-point programme to rescue the country. He called for a substantial *stimulus to the economy, a* revival of public assets including the health and social services, a reduction in bureaucracy, new rights for local government, concern for the environment, and a new approach in international affairs.

"The new Thatcher Tories are, like the Prime Minister herself, totally out of touch with the harsh reality of the life they have created for many of our people," he said.

He accused Mrs Thatcher of creating two nations through the perversion of the liberal concept of liberty. "We believe that, unless participation in the fullness of life in our country is treated as a right for all, liberty remains an empty word, a pretty veil behind which privilege may thrive."

The last four years had seen a relentless assault on local government, with a procession of White Papers and a maze of mind-numbing and unworkable financial formulae imposed with no regard to the human consequences, he said.

"If we believe in local democracy, we are going to have to fight for it. We have our shock troops on the ground — 2,000 Liberal councillors ready to take the argument into their council chambers and on through the parliamentary party to the Government itself.

"Together our MPs and councillors must unfurl the banner of local freedom," he said.

Mr Steel was heavily critical of the Prime Minister's role in the Falklands War and in for-*mulating policy* when the fighting finished.

"The ugly Jingoism which once or twice surfaced in the Prime Minister's vocabulary during that war has bred the most outrageously futile policy in peace — that of Fortress Falklands," he said.

Monitoring likely to be hitch in Westminster seat distribution

BY OUR POLITICAL EDITOR

THE EXTENT of outside monitoring is likely to be the main problem in the forthcoming talks between the SDP and the Liberals over the distribution of Westminster seats. A working group is due to report within the next couple of months.

The two party conferences have now set the broad parameters for these negotiations—the Liberals by coming out in *favour of joint selection of elec*tion candidates by members of both parties, and the SDP coming out strongly against.

Between these extremes, there may be room for compromise about differing forms of joint involvement in candidate selection.

There are two main snags. First, how will the parties monitor these *local* deals? The SDP is in favour of some mechanism to ensure a rough parity in the number of seats *fought, particularly in terms of* winnable constituencies, but any outside monitoring is anathema to Liberal activists.

The likely solution is some form of joint regional negotiations, similar to those adopted for the European parliamentary elections.

Second, will Dr David Owen and the SDP attempt to stop joint selection if it is demanded by local SDP and Liberal paries?

Mr David Steel, the Liberal leader, and a few senior Social Democrats, notably Mr Roy Jenkins and his supporters, hope that Dr Owen will be flexible on this point, despite his fears about joint selection leading to merger.

The leaders of both parties hope that most local Liberal and SDP parties will sort things out at the grass roots without any enormous change in the distribution of seats which *applied at the last* General Election.

European joint selection deal endorsed

THE LIBERAL ASSEMBLY yesterday nudged the Alliance a little further in the direction of joint open selection of parliamentary candidates, beginning with the European elections due next year.

The assembly endorsed the deal on European seats struck between party leaders and the SDP. This provides for seats to be allocated between the parties at local level, and for joint selection in Liberal-led seats if wanted by the local Liberal Party, and in SDP seats in "exceptional circumstances."

But Mr Russell Johnston, the parliamentary spokesman on foreign affairs, who moved the *resolution, accepted* amendments *interpreting* the agreement in a far wider manner than the SDP leadership

The amended motion says any attempt by the national leadership of either party to frustrate local wishes for joint selection would be regarded as being contrary to the spirit of the agreement between the parties.

The Assembly urged all Liberal-led seats to opt for joint selection, and approved a constitutional amendment which would make it impossible for Liberals to participate on any basis other than one member one vote.

This would seriously disadvantage the SDP because of its far smaller membership.

Iran human rights probe call

THE ASSEMBLY yesterday called Mr Perez de Cuellar, the United Nations secretary general, to send a special envoy to Iran to examine violations of human rights.

The assembly gave almost unanimous backing to an emergency resolution moved by Miss Clare Brooks, the parliamentary candidate for Skipton and Ripon at the last election.

Miss Brooks called on the British Government to announce immediately that Iranians with no right to live in the UK would not be sent home until the political climate in Iran has improved.

Miss Brooks said 20,000 *people, some only children, had* been executed on political grounds by the government of Ayatollah Khomeini. The cases of 7,746 documented victims could be examined specifically only by a UN envoy.

Miss Brooks said Ayatollah Khomeini claimed his government acted in God's name. She told delegates: "There is only one God, whether it is a Muslim God or the Christian God.

"I do not understand how the gross ugliness and viciousness of his government can have anything to do with God."

Not so much a party, more a way of life

By Peter Riddell, Political Editor

FOR ALL the Liberal Party's aspirations to become the effective Opposition, its annual assembly is still unlike that of the two major parties.

It retains much of the character of a family gathering of enthusiasts — eager, committed and often oblivious to the *outside* world.

The debates are dominated by a small group of MPs and prominent activists. The same names *crop up* again, and again — William Wallace, Richard Holme, Tony and Bernard Greaves (no relation), Sir Trevor and Trevor Jones (again no relation), Gordon Lishman, and Michael Steed, as well as familiar and less familiar MPs.

They have each spoken several times in the assembly as well as in the countless fringe meetings. At least 30 events have been arranged by the indefatigable Association of Liberal Councillors, some going on until nearly midnight.

Speakers refer to each other by forenames and the atmosphere is informal. Motions often appear to have been drafted with *little* regard to the wider implications. The Assembly has a collective desire to support the most idealistic proposals, however impracticable they may be, as for example in the motion on Irish unity.

In other parties, the leadership would have ensured that a more cautious motion was put forward to the conference. The Conservative leadership manipulates its agenda, while in the Labour Party, at least in the past, the trade union block vote was always available.

The Liberals are still showing their long time away from power. The difference now is that the outside world is noticing, as shown by the many comments on the Irish vote.

The Liberals, therefore, appear to be a party in transition. Sandles may be out, but there are still plenty of beards—and World Federalists as well.

The dominating presence of the ALC, with its 2,000 elected members is a testament to countless hours of working together. Its ethos—local, idealistic and above all anti-centralist—still grips the party.

Few people look capable of dealing with the problems of Whitehall, or, perhaps more significantly, with its mandarins.

Mr David Steel yesterday attempted to turn his party outwards to look like a potential Government. There is still some way to go.

Package to fight poverty

THE ASSEMBLY backed a comprehensive package of measures aimed at ending poverty in Britain, including a minimum wage of £2.25 per hour and a statutory minimum income

The package includes the scrapping of standing charges for gas and electricity supplies and abolishing telephone rental charges.

Nuclear dumping pledge demanded

THE ASSEMBLY carried an emergency motion calling for Government assurances that no attempt will be made to dump radioactive waste secretly at sea in contravention of international agreements.

The Government has denied accusations by the Greenpeace ecological group that it is planning to use military vessels to dump waste in concrete blocks.

U.K. CONVERTIBLE STOCK 24/9/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear (−)◊ Current
British Land 12pc Cv 2002	9.60	287.50	333.3	80-91	4.2	1.2	3.3	− 4 to 8	43.8	64.2	7.3	+ 4.0
Hanson Trust 9½pc Cv 01-06	81.54	226.50	107.1	85-01	4.3	1.6	− 3.9	− 6 to 1	104.9	71.4	−14.2	−10.3
Slough Estates 10pc Cv 87-90	5.03	233.50	234.4	78-84	4.3		−10.2	−12 to −1	6.5	4.8	− 0.6	+ 9.6
Slough Estates 8pc Cv 91-94	24.72	110.00	97.5	80-88	7.4	6.6	1.6	−38 to 14	21.1	28.1	6.5	+ 4.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value or underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

هكذا اضن الأصل

Silicon Alley.

Many years ago, a Victorian entrepreneur established a business bottling water from a well in a Cambridge suburb. It's a typical Victorian use of a natural British resource, but alas, the mineral water business just didn't survive the less credulous, more stringent demands of the modern market place.

Today, there is no bottling at Willis Road.

There are no long production lines, no vast warehouses, no goods-in and goods-out. A building in a style between modernist and post-modernist is tucked away among some unassuming terrace houses. There's very little to tell you that this is a power-house of British industry.

Yet this is the home of Sinclair Research Ltd.

The site retains one direct link with its past. The old mineral water well, whether or not it was therapeutic, had one valuable characteristic: it maintains a constant temperature of 12°C, all the year round. Today, it's incorporated into a revolutionary heating system for the building, which helps reduce energy costs.

In every other way, this is a business of the future. And if its modest location is slightly surprising, just about everything else is very surprising indeed.

So far, the company has sold nearly two million home computers. *Two million.* It has generated a vigorous British home-computer industry. And it's made Britain one of the most computer-conscious countries in the world.

Yet the company employs only about 60 people, and makes nothing itself (apart from substantial profits, which are reinvested for the future).

The ULA (uncommitted logic array) is made, to a Sinclair specification, by Ferranti. The touch-sensitive keyboard membrane by NFI. Timex carry out the assembly in Scotland. Even the processing of orders and enquiries is sub-contracted, to GSI in Camberley.

Sinclair Research simply does what it's good at. It takes as its raw material something in which, Sinclair believes, Britain is particularly rich: original, creative minds. It uses them to produce brilliant, marketable concepts. The rest is delegated to whoever's best at the job.

The computer age, unlike the mass-production age, offers tremendous opportunities to Britain. While British manufacturing industry has languished, British creative talent has flourished. If it doesn't fit into the old patterns, so much the worse for the patterns.

Sinclair Research is a modest model of the way in which original thinking can generate spectacular success. Our business is very different from our Victorian predecessor's. But the way in which we're using an inexhaustible natural resource indicates that we are worthy successors

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Sinclair Research Ltd, Stanhope Road, Camberley, Surrey, GU15 3PS. Tel: 0276 685311.

A sprinter without enough staying power

LONDON

ONLOOKER

It looked like a false start to a 100 yard dash. Monday, the first day of the new account, saw the FT 30 Share Index bound forward by 11.1 point to 705.3, while the gilt edged market buzzed with activity and Government stocks were on the rise.

Vibrations from across the Atlantic felt right and gossip was of a cut in domestic interest rates sooner rather than later. The equity index got an unexpected shove forward with Dunlop rising 9p to 63p after the leak that Sumitomo was about to do a deal.

After such a glorious start the market virtually stopped dead in its tracks. The Government broker was able to continue feeding out his short-tap which was exhausted by Wednesday evening and the hint of lower interest was still strong but the Bank seemed to be doing its best to ignore it.

Of course, the mammoth BP issue was still overshadowing all else. Most of the institutions were keeping their bank books pretty full awaiting the tender which closed yesterday. When the excess cheques are returned next week the equity market might again show what it is capable of.

Punctured Dunlop

The management at Ford Dunlop must have felt like Davy Crockett at the Alamo. Unlike those buckskinned frontiersmen, Dunlop has decided to give the other side everything they could want, with the hope of surviving to fight another day.

This week Dunlop effectively withdrew from the European tyre business. Sumitomo Rubber Industries, Japan's second largest tyre company, is buying most of the British company's tyre operations in an £82m deal. And just how weak Dunlop's position was is crystal clear.

The Japanese company has plucked away exactly what it wanted and left Dunlop with the burdens of the car tyre manufacturing plant at Fort Dunlop in Birmingham, and the two French factories. France lost £11m in 1982 and the deficit has accelerated this year. It seems inevitable that Dunlop will be forced to shut these down.

Within the price Sumitomo will also effectively be buying 40 per cent of its own capital. If the deal looks attractive for the Japanese, from Dunlop's standpoint it must be the only route to take. Even so it is no guarantee of survival.

Next December's balance sheet will look a mess. Dunlop will take a write-off against reserves of £25m on this deal, the interim attributable loss was £28m and the closure costs of Cork are still to hit. The group looks set to chop another chunk off its reserves similar to last year's £83m.

Of course it's not all bleak news. Dunlop will enjoy a substantial drop in its borrowing when it receives the first tranche of £41m and it has already clawed back on working capital requirements. The group may also take in a credit on the second tranche of £41m due early in 1985 since it will have fully provided for the write-offs. But there is still a question mark over the £55m overdue on the sale of half its 51 per cent stake in Dunlop Malaysia.

Still, which ever way Dunlop likes to play with the numbers, borrowings will probably still outweigh shareholders' funds, at the year-end and there is more damage to come. Those loss making French and remaining For Dunlop activities are still to be sorted out one way or another.

Assuming that Dunlop can survive the amputation of its disastrous tyre manufacturing it might end up with a business in the UK alone capable of producing profits in the region of £40m a year. Survival could leave it an ideal takeover candidate.

UBM sits tight

Norcros duly lifted its cash and equity offer for UBM Group, the builders' merchant, during the week following the signal failure of its first approach.

That was worth some £62m but Norcros has come back with terms which value its target at almost £75m. UBM shareholders now get one Norcross share and 130p in cash for every two shares they hold.

The composition of the bid has changed with a heavier weighting toward cash. The equity element of the deal would be 24 per cent of Norcros' enlarged share capital rather than 21 per cent but the bidder is now putting £39m cash on the table rather than £27.3m previously.

There is a cash alternative of 125p per share, worth £73.3m in total and underwritten by Hill Samuel, Norcros' advisors, which is the effective ceiling for purchases in the market.

Despite the bid increase, Norcros was only able to go into the market for a few hours immediately afterwards and bring its holdings of UBM up to just under 4 per cent.

The UBM share price moved swiftly against Norcros thereafter and jobbers on the floor of the Stock Exchange reported that dealing had become extremely tight and very speculative.

Large new time positions had apparently been built up at the end of the week before last which marked the close of the account and several cash and positions are understood to have been brought forward from the previous trading account.

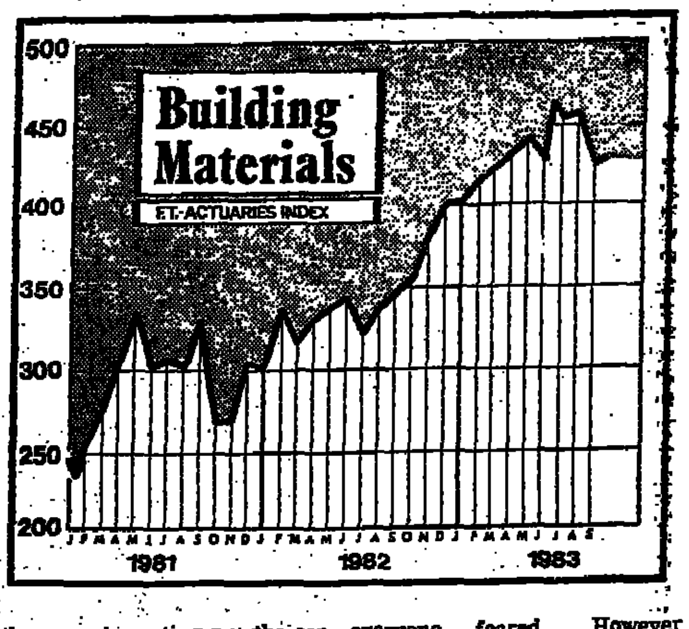
Norcros' room to manoeuvre had thus become very limited. It had sweetened its terms with a forecast of profits of £32m before tax in the year to March 1984 against £28m and will lift its net total dividend from 6.32p to 7p per share.

For all that, speculators are still gambling that Norcros will lift its bid again—which seems most unlikely—or that a white knight will appear. But perhaps Norcros' greatest problem is the persistent low rating of its own shares, trading at 129p, in relation to historic and prospective earnings of 16p and 18p respectively hence the heavier cash emphasis in this offer.

It has achieved a good compound growth rate over the past five years but the group, a widely based industrial holding company, appears to lack stock market image. A successful deal should sharpen the focus of Norcros as a building materials stock.

Anyway, UBM has had an appalling record. To see Norcros off, its new management will have to show that it can do very much better. The clincher could come with UBM's own forecasts for the year to January.

Building Bricks



It was quite a week for the building materials sector. Under a fair barrage of good news the sector fielded six out of the top two dozen performing shares over £20m this week. Among the Actuaries breakdown building materials moved ahead twice as much as the market average, reversing the dull trend which has dogged it nearly all year.

Tarmac set the scene at the beginning of the week with its half time report covering the six months to June. At the pre-tax level the chairman, Mr Eric Pountain, was able to report a sharp jump in profits from £20.1m to £29m. Quarrying proved to be the division with its foot hard on the accelerator. Tarmac's quarry product volume was up 3 to 4 per cent in the period with price rises one step ahead of inflation.

The sentiment was echoed by RMC later in the week. Interim profits advanced from £18.1m to £26.5m and the group looks on the road to producing close to £60m for the year, a rise of over £15m. RMC also cited aggregates as the driving force behind its profits performance. Aggregate volume, the directors said, was up by over a tenth in the six months and the upward curve is showing no sign of weakening.

Finally a very enthusiastic statement from Mr Colin Corness, chairman of Redland, at the annual meeting put the cap on the good news. In the UK, he suggested, new housing starts could be up around 10 per cent this year, in the U.S. the advance could be nearer 50 per cent while in West Germany he was talking about a 25 per cent increase for one and two family houses.

BAT's interim

BAT's shares have been cold shouldered by the market since the beginning of the year. While this week's interim figures covering the six months to the end of June are hardly anything to get the blood racing they are nowhere near as bad as some had feared.

At the pre-tax level the tobacco giant is 2 per cent adrift from last year's restated profits of £351m with a figure of £345m. Yet ponder on the impact of the dramatic Brazilian devaluation and the vicious price war that has been inflicted on the West German cigarette market and BAT's figures look positively sound.

Of course the truth of the matter is that the tobacco interests are sharply lower as everyone feared. However diversification into non-tobacco operations has come to the rescue of the profits line.

Trading profits from tobacco fell 22 per cent to £221m. The launch of cut priced brands in Germany put the market into turmoil and slashed margins to the bone. In the States BAT's Brown and Williamson operation came under heavy fire from competitors like Reynolds and Morris. B and W's market share fell to 11½ per cent under sustained attack and volume was off 4 per cent. The only thing propping up the turnover figure was higher prices.

Thankfully the spread into retailing is at long last beginning to show some signs of a decent profits return. Trading profits have leapt from £6m to £28m on a sales increase of 28 per cent to nearly £1½bn. The U.S. in particular came through well while in the UK even the food division, International Stores, showed some progress. Elsewhere paper profits rose by almost a third to £55m and the small packaging business was ahead to £11m.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Govt. Sects. Index	82.17	+ 1.02	83.60	77.00	Interest rate optimism.
F.T. Ind. Ord. Index	706.9	+12.7	740.4	598.4	Quietly firm awaiting BP sale res.
F.T. Gold Mines Index	625.2	−16.9	2734.7	531.5	Rumoured IMF gold sales.
Aitken Hume Hldgs	195	+30	225	165	U.S./Candian deals.
Atlantic Resources	450	+65	615	35	Revived speculative buying.
BAT Inds.	147	+14	185	130	Interim results.
Barratt Developments	202	−14	276	200	Preliminary results.
BP	436	+10	452	296	Optimism over 130m share sale.
Brown and Tawse	94	+21	94	67	Caparo Inds. acquires stake.
Consultants (Comp. & Fin).	500	+100	510	145	Vague bid rumours.
Dwek Group	24	+ 9½	24	7½	Tip-sheet recommendation.
Haden	215	−35	290	215	Disappointing int. results.
Jardine Matheson	82	−22	160	81	Doubts about Hong Kong future.
Kleinwort, Benson, Lonsdale	323	−37	370	270	Full-year profits warning.
Minet Hldgs.	125	+18	142	99	Good interim results.
Pittard	59	+ 8	61	42	Sharp first-half recovery.
RMC	363	+28	408	330	Impressive results.
Ratners (Jewellers)	47	+10	48	31	Recovery hopes.
Swire Pacific A	90	−25½	157½	76½	Doubts about Hong Kong future.
Tesco	176	+15	176	111	Persistent support.

The Fed holds it steady

NEW YORK

TERRY DODSWORTH

SINCE LATE August, Wall Street has been steadily girding itself up to recapture its high point of early summer, and this week it finally went over the top. The charge, when it came, was busy and purposeful with the big guns of the large institutions providing plenty of cover for the small-time investor. On Tuesday, the attack carried the Dow Jones Industrial Average to just over its former record; two days later, it pushed on to a substantial new peak of 1,257.52, some 9.22 points ahead of the target set in mid-June.

The movement this week was mainly attributable to helpful signals from the credit markets. These signs were not, however, entirely unambiguous. Take, for example, the Federal Reserve Board's move to inject funds into the money market through system and customer repurchases virtually every day since the middle of the previous week. In response, yields, particularly at the short end, have begun to ease, with three-month bills edging below 9 per cent and staying there for the first time in weeks.

Yet, there is no overwhelming conviction that the Fed is relaxing its posture after the tightening of the early summer. With a relatively heavy Treasury funding programme rolling through the market at present, the intervention has done little more than keep Federal Funds at around the 9½ per cent rate where they have been for some time. Thus, last week's speculation that the Fed was loosening the reins has given way this week to the suspicion that it wants to hold things steady as they are for the time being. Indeed, the dollar strengthened significantly on Thursday, as New York's foreign exchange dealers came to just this conclusion.

Meanwhile, the news from the real economy has been nothing but good for Wall Street. The market at the moment is looking for recovery, but not at the spanking rate of earlier this year — and the Commerce Department duly obliged this week with third quarter estimates showing GNP growth slowing from 9.7 per cent in the second quarter to around 7 per cent.

At the same time, the Department raised its earlier calculation of second quarter corporate profits substantially, putting the rise at 17.6 per cent against 14.7 per cent after tax. Figures such as this ought to insulate equities from a serious setback for the time being.

The recovery also seems to have sharpened Wall Street's—and management's—perception of the numerous undervalued assets, which are lying around in the industrial heartland. This week, the main attack was focused on ACF, a diversified railway rolling stock, distribution and energy group that happened to have all its eggs in the wrong basket, when the recession came round and clobbered its results. ACF is now in the uneaviable position of having attracted the attention of Mr Carl Icahn, an expert in predatory share swoops, which usually end with his being brought out by someone else at a profit. ACF has gained a short breathing space from Mr Icahn to think of devices to wriggle off the hook, but, in the meantime, his shares added $6½ to $48½ in double-quick time last Tuesday.

At the other end of the scale, Wall Street has been worrying about an enormous slab of assets which may be under-valued — the computer and high technology companies. This is a sector that has strolled through the recession as though it was not there, dragging a wave of investor sentiment behind it. Suddenly, things have changed. The news wires last week were hot with stories of gathering clouds — Texas Instruments, already in trouble in its home computer division, warned that it had missed its targets in July and August. Apple had to cut the price of its new Lisa computer, and Coleco, until recently one of the darlings of the exchange, had to put back the launch of its new home computer, Adam.

TI consequently lost a further $5½ on Tuesday and Wednesday to $116½ and both Coleco and Apple shares continued to gyrate unpredictably.

MONDAY	1233.94	+ 8.23
TUESDAY	1249.19	+15.25
WEDNESDAY	1243.29	− 5.90
THURSDAY	1257.52	+14.23

No right to a view

BY OUR LEGAL STAFF

My next-door neighbour is growing trees up to a height of 20 to 25 feet on my boundary blocking my views and taking my light.

Can you please tell me what claim I have in law against such conditions? I have repeatedly asked him to lower them to regain my view and light.

There is no common-law right to a view, and the right to light is limited to the right to receive through defined apertures (such as windows) in a building at least 20 years old—if there is no express deed of grant — the amount of light which is necessary for the proper use of the room or other interior space lighted by that aperture. Thus it is not any obstruction or diminution of light which is actionable, but only where the effect of the obstruction is to make it no longer possible to put the room etc. to its proper use without artificial lighting which was not previously required. It is therefore quite possible that the growth of the trees does not infringe your legal rights, even though taking away some light. If you think that it may be sufficient to enable you to bring an action you should consult a solicitor.

Advantages of franked income

Could you please explain to me the meaning of franked income, its advantages and disadvantages? How does it affect ordinary or prefernce dividends, and what about higher rate tax and investment income surcharge?

"Franked income" simply means UK dividends etc. (and distributions by most authorised unit trusts): it is primarily an expression used in company taxation, signifiying that UK dividends are exempt from corporation tax. For individuals (who are liable to income tax, instead of corporation tax) UK dividends have the tax advantages of building society interest, but none of the drawbacks from which building society investors may suffer. There are no tax differences between preference dividends and ordinary dividends etc.

For the purposes of higher-rate tax, surcharge and age-allowance clawback, unfortunately, UK dividends and building society interest are both taken at ten-sevenths of face value.

Tax and a will trust

My father died recently, and my brother and I, resident in the Netherlands, are both executors and trustees. The trust is a simple one, whereby the estate is held in trust during the lifetime of our mother.

Could you please advise us as to the taxable status of such a trust, and the treatment that any interest and capital gains will receive?

You have not given us many facts to work from: we presume that you mean that your father died domiciled in England and Wales and resident (and ordinarily resident) in the UK, and your mother's domicile and residential status is similar to his, and that she has a life interest in the estate. That being so, interest will be taxable at basic rate in your hands as executors, and as trustees (unless you arrange for payment direct to your mother). Certificates R185E should be issued to your mother each year — these forms are obtainable from the tax office.

As executors, you have a CGT exempt amount of £5,300 for 1983-84; as trustees your exempt amount will be only £2,650. If your father died before April 6, your 1983-84 exempt amount as executors was £5,000; as trustees, your exempt amount for the year would have been £2,500; in 1985-86 your exempt amount would be zero as executors, but doubtless you will have become trustees well before April 1985.

If we have not guessed the facts correctly, you may like to come back to us, with more precise details.

Threat, abuse and insult

My son faces a pending charge under section 5 of the Public Order Act 1936 as amended by the Race Relations Act. I understand that the section itself uses the words: "uses threatening abusive or insulting words and behaviour... with intention to provoke a breach of the peace or whereby a breach of the peace is likely to be occasioned." The actual charge sheet wording against my son uses: "did use threatening and abusive and insulting words and behaviour..."

Could you advise please: is the charge actually alleging that there was both words and behaviour, and that the words and behaviour were both threatening and abusive and insulting? If indeed no words of any kind were used and the behaviour concerned was in no way abusive or insulting, is the charge invalidated? Having charged all the aspects do the police have to prove all of them to succeed at all? Is the word "whereby," in section 5 independent of the word "intention" or governed by it? In other words does intention need to be involved in the case of action likely to occasion (as opposed to provoke) a breach of the peace?

The charge appears to allege that both words and behaviour were used; and that they contained all three elements of threat, abuse and insult. We do not think the charge would be invalidated if not all aspects are established, but it may be that it will not be proved at trial that any, or any sufficient, elements of the charge has occurred. We think that "intention" is not the antecedent of "whereby." The word or, coming between them is disjunctive; so that it is an offence if the intention is proved without any likelihood of breach of the peace, and an offence would also be proved if there were shown to have been a likely breach of the peace (caused by the words) without the subjective intention.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

First catch your elephant

MINING

GEORGE MILLING STANLEY

ELEPHANT HUNTING is a tricky and often frustrating business, as I can testify from experience. My hunting was done with the modern weapons provided by Nikon, Pentax, Polaroid and the rest, and used all the paraphernalia of today's search for big game.

This included local experts, native trackers, several jeeps linked by short-wave radio and even helicopter-borne spotters. I was one of the lucky ones; after several days of this. I did eventually find and photograph my elephant, and experienced the awe that being close to one of these beasts in its own surroundings inevitably engenders.

Many other people have invested a similar amount of time, money and effort, and been unsuccessful.

The hunt for elephants is still going on, and is being prosecuted with rare vigour at this very moment in Western Australia.

The "elephant" which is the object of this particular search is a new goldfield — not just a new mine worth perhaps several million dollars, but a whole goldfield with a large number of mines worth billions.

Major mineral deposits are often referred to as elephants among mining people, but the analogy was taken a little further during this week's exposition by Mr Barry Fehlberg and Dr Jack Hallberg of Valiant Consolidated, a small Australian exploration company.

The current spate of exploration activity in and around the old Eastern Goldfields region, centred on Kalgoorlie, has been well documented already. A number of promising prospects have been outlined, and there is the potential for perhaps as many as nine or 10 gold mines to start production in the next few years.

Valiant's target is a bit more ambitious than this. The group believes that there could be another Golden Mile somewhere in the area, and has based its exploration on regional mapping and a detailed knowledge of the geological history of the region.

This system has pinpointed several targets, and Valiant plans an immediate drilling programme on one of these, south-east of Leonora.

The logic of the company's arguments is irrefutable, but the proof of the prospect will lie in the drilling.

Mines have a nasty habit of not being in the places which logic would dictate. A policy of "wait and see" is obviously the best one to adopt, especially when you are hunting elephants.

Mr Bill Hicks was also in London this week, and he remains to be convinced that there really is an elephant, in the shape of another gold deposit as large and rich as the Golden Mile, waiting to be discovered.

Mr Hicks, a pharmacist in Kalgoorlie, is extremely knowledgeable on the subject of the geology of the goldfields. In his other persona, he is managing director of Central Kalgoorlie Gold Mines, which has rights to a considerable amount of land in the town of Kalgoorlie, adjacent to the big Mount Charlotte mine.

This company plans to spend A$1m (£588,000) on drilling at its leases this year, and Mr Hicks expects to have established 2m tonnes of reserves grading an average of four or five grammes of gold per tonne in 12 months' time.

This target seems not unreasonable, as the company has already carried out a substantial amount of promising exploration work. Beyond that, there are any number of witnesses to the fact that CKGM's areas contain gold, as they have been mined on a small scale for nearly 100 years.

The next quarterly report, due due in a month or so, will probably come too soon to contain any information from the current programme. By the time of the December report, however, the company should know whether it is on the right lines or not.

This may seen a little staid in comparison with the earlier extravagant talk of elephants, but Mr Hicks is quite clearly much closer to his target.

Even he is not immune to the excitement which tends to surround any news on the Australian exploration front. While in London, he sent instructions to his team "down under" to peg as much ground as possible around a rumoured discovery of tiny diamonds about 40 miles from Kalgoorlie.

Most of the interest in this speculation centres around the fact that Stockdale, the Australian exploration arm of De Beers Consolidated Mines of South Africa, is said to be involved.

De Beers, the largest single force in the diamond business in the world, has so far had nothing to say on the subject, and it may well be that nothing more is heard of it. Experience suggests that the world of mining exploration is like that.

● After that brief update on the current exploration scene, it is time to return to the big guns of the mining world. One of the biggest of those guns, the Rio Tinto-Zinc group, reported an encouraging set of first-half figures this week.

These results indicate that the improvement seen during the second half of last year has been more than maintained in the latest period. The comparison with the first half of 1982 is even more startling, but it must be remembered that 1982's results were depressed by the general economic situation.

This London-based mining and industrial group with worldwide interests turned in net attributable profits of £84.5m in the six months to June 30. This compares with £74.6m in the second half of 1982, and only £28.9m in the opening six months of that year.

Earnings were 30.91p, against 10.88p after adjusting for the £192m rights issue in June, and there was a modest increase of ½p in the interim dividend to 6p.

A further rise in the final is possible, as long as neither metal prices nor currencies turn sharply against the group over the rest of the year.

Perhaps the best performance among RTZ's various operations came from the Australian unit CRA. This group contributed £23.5m this time, compared with a loss in the first half of last year of £7.3m.

The improvement here was mainly attributable to increased profits from the big Bougainville copper-gold mine in Papua New Guinea and Hamersley Iron.

RTZ Bristol also returned to profits, with a contribution of £13.1m compared with a loss of £2.9m. This group, which now includes RTZ's one-third interest in Anglesey Aluminium, benefited from the more buoyant aluminium market, and was able to run down the stocks which had accumulated at the end of last year.

TIN OUTPUTS COMPARED

	August 1983 tonnes	July 1983 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Aokam	138	67	205	(2)	179
Ayer Hitam	149	79	228	(2)	228
Berjuntal	168	191	694	(4)	993
CRM Sri Timah	Nil	0¾	84½	(7)	369
Geevor*	48	91	372½	(3)	336
Gopeng	127½	126¾	1,416½	(11)	1,664½
Kinta Kellas	22	21	109½	(5)	182¼
Malayan	508	513	3,374	(7)	4,776
Pahang	55	55	55	(1)	51
Petaling	†	111½	1,338½	(9)	691
Rahman	78½	77½	156	(2)	138½
South Crofty‡	†	†	†	(†)	†
Sungei Besi	40	52	258	(5)	391
Tanjong	9	10½	59½	(8)	76¼
Tongkah Harbour	48	25	73	(2)	34
Tronoh	57	25	327	(8)	355

* Figures include low-grade material. † Not yet available. ‡ Tin metal in concentrates. Outputs are shown in metric tonnes of tin concentrates.

Pressures on the Hong Kong market: **Robert Cottrell** reports

Hang Seng on a slippery slope

CELEBRATION of the Chinese mid-autumn festival made this a holiday week in Hong Kong, *but most local stockbrokers* would happily forego any further celebrations of this kind: In three and a half trading days, the Hang Seng index lurched from 816.11 points at the close on Friday last week to 755.48 last night, wiping 14 per cent off share values and dramatising the volatility in the market bred of political uncertainty.

For overseas investors who had not covered the Hong Kong dollar exposure inherent in their *investment,* it was an even grimmer week. On Saturday last the Hong Kong dollar slipped for the first time through the HK$8 per U.S.$ to *close the half-deay at HK$8.035* per U.S.$.

Yesterday, the cross-rate at local close was down around HK$8.60/US$, with dealers *making even lower quotes after* hours at around HK$8.80/US$.

The gloom overhanging Hong Kong is a result of the *long* shadow cast by doubts over the territory's future. Britain's lease over most of Hong Kong expires in 1997, and delegations *from Britain and China* are negotiating what happens next.

Peking has staked its claim to sovereignty and administrative power over the whole *territory, and appears to be* giving little if any ground in the intermittent formal talks which began in July.

The fourth two-day round of *Peking talks concluded* yesterday with no news other than an announcement that another round will begin on October 19.

Worries that the talks would go badly *had knocked the Hang* Seng index down 74 points on Monday. The absence of any sign that they had gone well knocked the index down a further 64 *points* yesterday.

In mechanical terms, an upsurge of political worries tends to be felt first in the Hong Kong dollar, where the trend this *week has been for nervousness* to thin down trading volume, so that individual transactions have a sharp effect on the exchange rate. Fear then grips the stock market that a lower *dollar* will provoke an interest rate rise, leading to a sharp downward reaction in the Hang Seng index.

Hong Kong: under a long shadow

The Hong Kong stock markets *are* particularly sensitive to interest rates since many of their largest quoted companies are *large property firms still painfully* overborrowed from the recent property boom-and-bust.

This week, the Hong Kong Association of Banks—the local interest rate cartel—has not, in fact, raised rates. It last put prime rate up on September 9 by one and a half percentage points to 13 per cent.

The HKAB committee holds its regular meeting on Saturday mornings, and has said it will in any case convene special meetings to review interest rates if the Hong Kong dollar remains volatile. It seems hard to argue that the dollar's behaviour over the past week can avoid that description.

For chart-minded investment punters, the Hang Seng index *bottomed out from* its last trough at 676, plumbed in December last year. On the upside, it tends to have difficulty clearing the 900 mark, but managed to reach a high for 1983 of 1102.64 on July 21. It is now close to its 1983 low of 761.61 recorded on January 4.

On fundamentals, today's market yield topping eight per cent and historic price/earnings multiple of little more than six are bargain basement by past local standards at the top of the property boom of 1981. Some analysts were then arguing whether the market was being fundamentally re-rated, up from typical price/earnings multiples of 15 to new ones of perhaps 20-25.

But, chartist or fundamentalist, few people will buy a share or a currency at any price today if they think it may fall sharply tomorrow. That fear of the unpredictable is undermining the Hong Kong dollar and the Hang Seng Index, and while some shares will, for their own localised reasons, buck the market trend, they will tend to do so rarely and slightly.

The private seller in the Hong Kong stock market, depressed or uplifted by political news, does not react by rearranging a portfolio mix. The gut reaction is either to get out of or get into *Hong Kong,* with particular stocks taking second place in the chain of reasoning.

Having taken that consideration on board, it is worth noting that the *Hong Kong stock* market is no longer so wholly in thrall to its collopse property sector. Stockbroker De Zoete and Bevan estimates that property companies represent just 40 per cent of The Hang Seng Index constituents' capitalisation—though of course some non-property companies will have property assets. And amidst the chaos in the financial markets Hong Kong's induestrial sector is seeing a revival.

Order books are being measured in months, against weeks this time last year, while leading indicators for the garment export trade show a *booming year.*

If the market were not so shell-shocked, it is probable that the former trickle of new flotations would be continuing, offering stagging opportunities as well as longer-term hopes. An interesting prospect currently being awaited by the market is TVB, one of the two local *television stations, which is thought* likely to offer a minority of its equity at prices perhaps indicating a capitalisation for the company as a whole in excess of HK$1bn.

At the moment, however, political considerations have served to dislocate share prices from underlying corporate *performance.* Until the linkage between prices and performance is restored by political stability, the Hong Kong stock market is for gamblers.

Looking for a stake in dollars

PERPETUAL, the Henley-on-Thames-based unit trust group, has ignored the current fashion for *highly specialised funds* with its American Growth Fund and returned to the idea of giving a geographical bias to its investments.

What the new capital growth fund lacks in originality, Perpetual hopes to compensate for by stressing the strong performance of its existing stable of funds.

Its Growth Fund has achieved an increase of 1,287 per cent in the offer price of its units, with income reinvested, in the nine years to August 31 1983 and now has £33m invested. *Perpetual's Income* Fund is up 89.6 per cent since June 1979 while the Worldwide Recovery Fund has risen 61.8 per cent since January 1982.

Bob Yerbury, Perpetual's North American specialist, sees the relative cheapness of U.S. stocks, the large number of hi-tech companies and the trading dominance of the dollar as the basic attractions of the region.

But after spending 12 years observing the region for a trust run by Equity and Law, the insurance group, he is wary of the less well established high-technology companies and happier about computer giants such as Digital Equipment and Control Data.

Perpetual expects to have *nearly a quarter of its money* in high technology stocks and another quarter in what it calls the cyclical areas of steels, papers and chemicals. Canadian stocks may account for another five to 10 per cent.

The health care sector, the target of one recently launched competitor, may, in Perpetual's view, *prove difficult* as companies come under pressure to reduce health care costs.

Investors are being offered 50p units with a minimum stake of £1,000 in the launch period which closes on October 14. *Anyone wishing to switch out of* Perpetual's existing funds will be offered the usual 2½ per cent discount.

Perpetual chairman Martyn *Arbib,* says he will be disappointed if the new funds does not attract investment of £4m-£5m in its early stages.

A tax haven in the City

JOHN MOORE continues his series on becoming a name in the insurance market.

On the floor at Lloyd's

LLOYD'S OF LONDON is an internationally important insurance centre. It is also a unique "on-shore" tax haven conferring many tax advantages to those who gain admission as members of its society.

The private members of Lloyd's enjoy a range of financial advantages, both in the way in which they can maximise the return on their assets and through the tax benefits.

Lloyd's members are able to obtain three returns on the investment of their capital rather than one. The underwriting member will receive:

- The normal investment income and capital gains arising on any deposited investment at Lloyd's;
- A share of the underwriting profits—the difference between insurance premiums and claims paid out—on underwriting less expenses and after payments for the usual protections arranged for the syndicate in which the underwriter is a member in reinsurance.
- A share of investment income and capital gains arising from the money earned on premiums invested by the syndicates, through which the underwriting member participates in the prosperity of Lloyd's.

Most members of Lloyd's are high rate tax payers—up to 98 per cent in the UK until a few years ago but more recently 75 per cent, which of course includes the investment income surcharge. Syndicates at Lloyd's often have a policy for investment of the premium income which within permitted and regulated limits produces a high level of capital appreciation rather than interest. The tax is limited to the maximum 30 per cent applicable to capital gains.

Much of the investment may be held in British Government securities which if retained for more than 12 months are free of capital gains tax.

Moreover, an underwriting member is able to delay his payment of tax on underwriting profits. Normally a trader who draws up his accounts to December 31 each year has to pay income tax on his profits in two instalments, payable respectively 12 months and 18 months after the accounting date. In the case of a Lloyd's underwriting syndicate, the books of account relating to a particular calendar year are not closed until two years after the end of that year.

The tax on the profits for that calendar year is payable in the following way at Lloyd's.

- Basic rate tax and capital gains tax are payable 12 months after the date of closing the books—in fact three years after the accounting date. Capital gains tax is paid by the syndicate before a member receives a payout.
- Higher rates tax and investment income surcharge are payable 18 months after the date of closing the books—three and a half years after the accounting date.

During the two-year delay in closing the accounts a Lloyd's syndicate is able to invest for the benefit of its underwriting members money which would otherwise be paid to the Inland Revenue.

There are other advantages. Lloyd's members are able to set aside part of their underwriting profits each year free of higher rates of tax and investment income surcharge into a special reserve fund. These reserves are used to cover any underwriting losses which may arise in the future. Lloyd's members have around £180m tucked away in special reserve funds, according to the last accounts for the whole market.

The use of the special reserve fund facility can have the effect of averaging out the marginal tax rates between good and bad years and defers tax liability on the profits transferred. While the special reserve fund is intended as primarily a way of establishing reserves to cover subsequent losses it is a useful tax planning device.

Lloyd's membership also offers some mitigation against the effects of capital transfer tax. When a member of Lloyd's dies, provided he has been a member for more than two years, the whole of his "underwriting interest" qualifies for the 50 per cent capital transfer tax business relief.

The tax advantages may be highly attractive. But Lloyd's is a risk business and underwriting members have to face the possibility that they may occasionally have to pay out on large losses. A member of Lloyd's liability for future losses is unlimited and they may have to use the full extent of their private wealth to meet those losses.

- Next week: how to limit liability in an unlimited liability market.

The short answer is gilts

TERRY GARRETT reports on a new unit trust aimed at high-rate taxpayers.

IF ANY members of Lloyd's, or any other high rate tax payers for that matter, have a few thousand pounds left idling in a bank account they might take a look at a new unit trust designed predominately for them.

Whittingdale is launching a short-dated gilt unit trust aimed at chasing capital appreciation without sacrificing security.

Whittingdale is well enough known to those heralding from Lime Street, the home of Lloyd's but to those in the wider savings market it is probably a new name. The company, set up by Patrick Whittingdale in 1977, has carved out a profitable niche for itself managing funds for Lloyd's syndicates. Over 15 per cent of the market's syndicates, nearly 70 of them, use Whittingdale's investment services and the firm's dealers are sitting on over £400m of investments.

Yet this is the first move into the harsh world of the unit trust market. It is a tentative move made with one foot placed firmly on the solid ground of Lloyd's members.

The object of the trust is straightforward enough. Aimed at high-rate tax payers not interested in an investment income stream, Whittingdale will play the short end of the gilt market. The longest it will go to will be stocks with 10 years of life but mainly it will be gilts with less than five years to run.

The attraction for investors is its tax efficiency. The introduction of tax exemption on gilt trusts back in 1981 and the recent changes on capital gains conceding an allowance for index linking to inflation mean that individuals should get a much higher return from a fund like Whittingdale's than they could off their own bat. The total return should be several times the notional 3 per cent yield, though the actual performance is not predictable.

The existing alternatives to Patrick Whittingdale's scheme are the other gilt trusts—though he claims this is the only one going exclusively into the short end of the market—and the traditional money funds.

The latter is probably his stiffest competition, for he will be unable to match the tax performance of offshore funds though he hopes to "invest better," and anyway much will depend on how savagely the Chancellor attacks the off-shore vehicles in his next Budget.

Certainly the firm has pitch[illegible] its charges low, perhaps t[illegible] low for some intermediari[illegible] There is an initial charge of [illegible] per cent which will cover co[illegible] missions and management fe[illegible] will run at 1 per cent a year.

Since the fund was launch[illegible] at the beginning of the mon[illegible] —though launched is hardly t[illegible] word for the low key approa[illegible] adopted so far—nearly £½m h[illegible] been pulled in from Lloy[illegible] investors.

The advisers hope to wid[illegible] the net beyond the insuran[illegible] market to other high rate t[illegible] payers seeking a low ri[illegible] return. The scheme could al[illegible] appeal to close companies.

If this trust is a success, a[illegible] the directors believe they ne[illegible] to pull in £8m to £10m of ca[illegible] before they break even, mo[illegible] authorised trusts could co[illegible] out of the Whittingdale stabl[illegible] The founder has clear ambiti[illegible] to go to the other end of t[illegible] investment spectrum with [illegible] high risk speculative fund.

Laughing all the way to the Piggy Bank

THE MOST important investment you ever make is probably not in your house, as you may have thought, but in your children. Just how few people appreciate this point was driven home this week with the publication of a Gallup survey* commissioned by Legal and General Assurance which indicated that two out of five parents make no financial provision for their children's future.

The survey also estimated, however, that it costs nearly £70,000 to bring up a child from birth to the age of 16—and that is not including private education fees, which would add another £33,500.

"If one parent were to die in the early stages, very substantial bills would have to be paid. We want to bring these costs to parents' attention so that they can make provision for them," says Mr Andy Small, Legal and General's manager responsible for the project.

Of those parents who do plan for their children's financial future, a surprisingly large 60 per cent plump for an insurance policy, while 37 per cent go for a building society account and 17 per cent invest on their children's behalf in a bank account, according to Gallup.

The survey coincides with the publication of a Legal and General booklet offering advice for parents on investment, tax, the law, children's rights and—not surprisingly—insurance.

Even though it is clearly aimed at plugging the group's own insurance services, it does offer handy basic advice on all financial matters affecting children.

It includes a guide to t[illegible] state benefits for which paren[illegible] are eligible, brief definitions [illegible] different kinds of insuran[illegible] policy and the likely costs [illegible] premiums, and advice on ho[illegible] to draw up wills and how [illegible] pass on money to your childr[illegible] in a tax-efficient fashion.

On investment, it giv[illegible] advice on a range of vehicl[illegible] from premium bonds to gi[illegible] edged stocks and Nation[illegible] Savings schemes.

The guide will be followed i[illegible] three months' time by simil[illegible] handbooks on house purcha[illegible] and retirement.

**Your Children's Future*, 50[illegible] *Legal and General Assuran[illegible] Society, 11 Queen Victor[illegible] Street, London EC4N 4TP.*

Wil Dawkin

Home buyers and ups and downs of interest rates

Optimism grows on the interest rate front

OPTIMISTIC TALK by some building society chiefs recently about the chance of a cut in mortgage rates before the end of the year has been looking a little better founded in the last few days.

There is keen speculation in the City of London that the High Street banks will cut their base lending rates within the next week. But the Bank of England, not for the first time, has been trying to dampen down enthusiasm.

The polite fiction that UK bank interest rates are nowadays determined by the play of supply and demand in the London money market has taken a few knocks this month.

In the first place, it is the Bank of England's official position that the rates at which it deals in the discount market—buying bank bills to provide liquidity to the banking system—are supposed to mirror the market rates, at least for two- and three-month money. Yet the bank has abstained from cutting its dealing rates even when they stood as much as ¼ of a point above the market rate.

Then there is the strange behaviour of the High Street banks, able to borrow money in the inter-bank market at prices which would make it possible for them to cut their base lending rates by half a point or more. They have not moved.

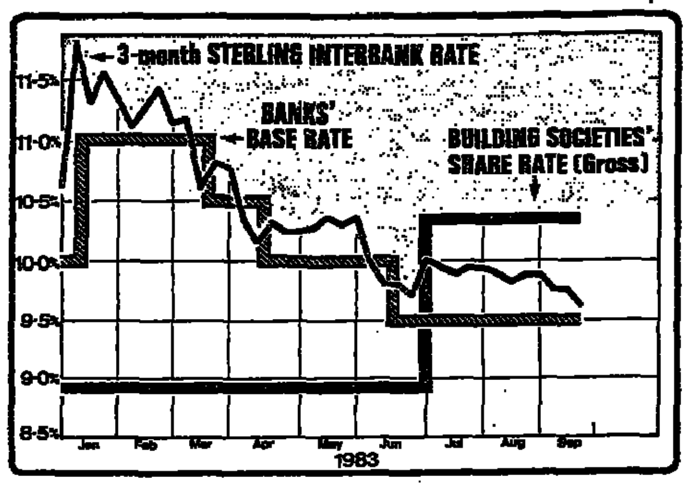
It would be surprising if these curious circumstances were unconnected with this weekend's £500m sale of Government shares in BP. The Bank has, after all, found it necessary to make special arrangements to lend the clearing banks enough money to handle the flood of cheques (conceivably running to £1bn or more) which will accompany applications for the shares.

It might reasonably be argued that the Bank would prefer this temporary bulge to be out of the way before making any use of its normal signalling mechanism—a shift in its bill dealing rates at the very short end of the discount market—to indicate that a cut in base rates would meet with official favour.

Whatever the explanation of this hiatus, it seems fairly generally agreed that the clearing banks will be cutting their base rates before long from the 9½ per cent at which they have been held since just after the General Election in June.

The consensus does not extend, however, to a prediction for the course of interest rates over anything more than the next few weeks, since opinions there have to rest on views about monetary policy in the UK and — perhaps more decisively—in the U.S., as well as on guesses about the likely level of the sterling exchange rate, and so on.

Just at present the monetary scene has become mildly encouraging on both sides of the Atlantic. Heavy sales of gilt-edged stock by the Government Broker throughout the summer—now supplemented by offerings from the Government's equity portfolio have brought UK monetary growth to within an ace of the target range.



In the U.S., where the release each Friday of the M1 money supply total has turned into the pivot of every financial week, a series of unexpectedly low figures has recently fostered more relaxed expectations on the interest rate front.

Unfortunately, the prospects for higher rates eventually returning to the U.S. market are only too clear. The highly respected economist Dr Albert Wojnilower gives a warning that the U.S. economic recovery may keep rates "zig-zagging" upwards by ½ per cent a month so long as it remains orderly—until the next recession sets in.

And if the dollar cracks, or U.S. wage rises accelerate, he believes, that will herald major rises in interest rates, higher inflation, and the closing stages of the business upswing. But that could be a year or more in the future.

If the trigger for higher U.S. interest rates were a very long awaited—collapse in the dollar, the chances are that the UK authorities would feel free to keep UK rates relatively low.

That could break a linkage which, in recent periods of sterling weakness and dollar dominance, has seemed all too much like a yoke.

Jeremy Stone

Counting the Costa

PROPERTY

JUNE FIELD

IN THE overgrown "secret" garden of the dilapidated old farmhouse in the Spanish hills near Gibraltar last week, we celebrated the buying of the Sotogrande Hotel by a British company, Poste Hotels and Inns.

The farmhouse and riding stables are part of a £¾m package that needs as much again spending on it to bring it up to standard, an ambitious, exciting venture for Martin Hoskins, Poste director.

He is based normally at the group's mock-medieval manor Bailiffscourt, near Bognor, an enchanting English countryside hotel I know well run by his wife Julia.

Martin Hoskins told me he intends to turn his new project into the best appointed small hotel in Andalucia, catering not only to tourists, but to Spanish businessmen from nearby Algeciras, important commercial centre and second largest container port in Spain.

Future plans may include selling off some of the suites as serviced apartments, a trend already successfully adopted by Danish developer Herman Sauer for the Golf Hotel at Nueva Andalucia, back along the coast near Marbella.

The Sotogrande Hotel deal was negotiated through Costa del Sol and British-based agents Fincasol, run by Elisabeth Woods with Jennifer Pinder.

Now Ms Pinder is moving on to form her own overseas property consultancy, specialising in southern Spain, the Algarve and the French Riviera.

John O'Sullivan is taking over Fincasol's British operation. "It is something completely new and exciting for me," he says. He was Prowting Estates' marketing director in Ruislip, Middlesex, for 10 years.

One of Fincasol's representations is Puerto Sotogrande, a well-established complex with views of Gibraltar and the North African coast, where riverside town houses are about £30,000, and beach-side studios from £15,000.

Fincasol has just expanded to the Marbella area, where a major client is Las Golondrinas, a sophisticated new estate, part of the five-star Don Carlos Hotel with its 11-court tennis centre.

The project has grown considerably since I first saw it last year, and prices range from £55,000 for smart apartments among winding streams and whirlpools, just back from the sea. British architects involved are Sidell, Gibson of London.

For details of both these developments plus a portfolio of properties ranging from a converted old village house in the hills around £29,000, to compact villas from £50,000 which the company construct themselves, write to John O'Sullivan, Fincasol, 4 Bridge Street, Salisbury, Wilts.

Much of the social life on this property-packed coast still revolves around the Marbella Club, although manager Count Rudi von Schönburg has just left after 27 years. The newest project of club founder Prince Alfonso Hohenlohe is concerts in a quarry in the Sierra Blanca Mountains.

At the launching, Placido Domingo, filming *Carmen* in nearby Ronda, sang an aria from *Tosca*, a magic moment.

It is a short drive from the sea to Puerto Banus and the pretty Moorish-style Atalaya de Rio Verde, developed by Grand Estates. They are part of the Sanbar group of companies, international property developers with London offices at 18 Upper Brook Street, W1.

After a trip around the bay in the company's yacht I looked around the terraced apartments, one of which has been bought by tennis star Sue Barker. Prices are from £32,000, and 85 per cent, 25-year mortgage arrangements can be made against security in Britain, or up to a 60 per cent advance over 10 years without additional security.

On the longer mortgage, interest is 1 per cent above minimum lending rate, 4 per cent on the shorter period.

Building work is starting on Grand Estates' handsome detached villas around a secluded garden courtyard. They are £90,000 if bought off plan. Items such as a private pool can be incorporated at another £11,850, a barbecue is £400 extra, a wall-safe £160.

For information sheets on the whole development, plus details of legal costs, mortgages, community fees and so on, contact Paul Washington-Young, project director, Grand Estates, Casa 8, Atalaya de Rio Verde, Camino del Angel, Marbella, Spain, or Valerie Kearney through the company's London office.

On much of the coast British interest is strong in promotion and sales. I went to the launch of the latest phase of the rapidly expanding Bena Vista, between Marbella and Estepona.

The developers are Alan and Carol James, who have been involved in property in the area for 13 years, selling 1,500 homes, mainly to Britons.

In their new village-style complex, studios are selling from £16,500, three bedroom units at £46,350.

Having recently sold their travel organisation to Owners' Abroad of London and Manchester, they are now concentrating on further building, plus an offshore property-linked investment programme through a Gibraltar-based company.

Full details from Alan James, Sol y Playa, El Pilar, Km 174, Carretera Cadiz-Malaga, Estepona, Spain, or their agency, Warcourt Sunhomes, 3 St. Mary's Hill, Stamford, Lincs.

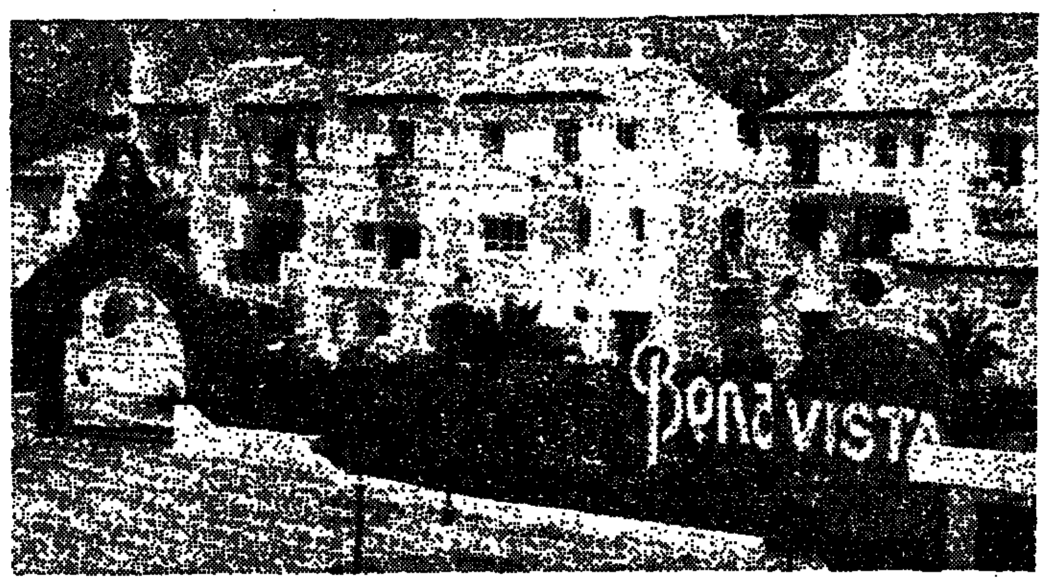
Their bankers are Barclays, and their lawyers Kelham and Sons, both of Broad Street, Stamford.

Los Arcos is an impressive villa tucked away among the palms and bougainvillae in the best part of Sotogrande, not far from the golf courses and polo grounds, built in the mid-1960s for racehorse owner Nicholas Biddle.

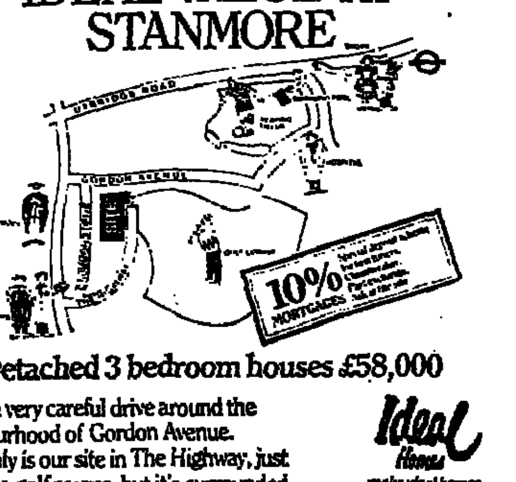
There are seven bedroom and bathroom suites, all with their own walled garden and grapefruit tree. A recent guest was the Infanta Pilar, Duchess of Badajoz, sister of the King of Spain.

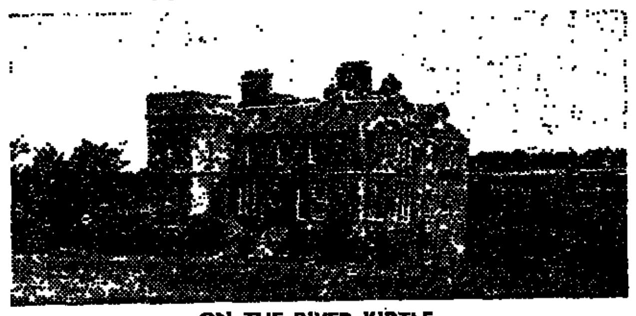
The price has just been reduced, or "modified," as agent Christopher Stephenson put it, to offers over $1m. Brochure from him at The White House, East Garston, Newbury, Berks.

New riverside town houses of unusual design for Spain, at Puerto Sotogrande, near the part of the Costa del Sol that runs down to Gibraltar, sell from around £30,000. Beach-side apartments are from £15,000 for studios up to about £55,000-plus for 4-bedroom units. Details John O'Sullivan, Fincasol, 4 Bridge Street, Salisbury, Wilts (0722 26444).

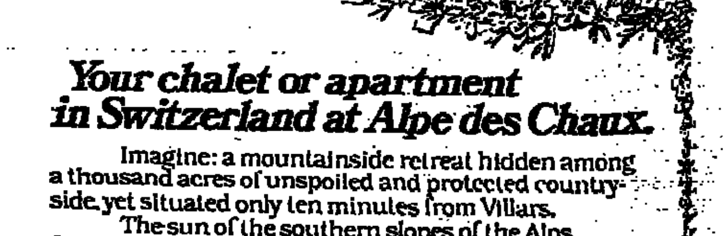


Bena Vista, where clusters of apartments at prices from around £16,500 are being built by British developers Alan and Carol James' Sol y Playa company, El Pilar, Km. 174, Carretera Cadiz-Malaga, Estepona, Spain. The James' agency, Warcourt Sunhomes, 3 St. Mary's Hill, Stamford, Lincs (0780 63302), will send full details of inspection trips.

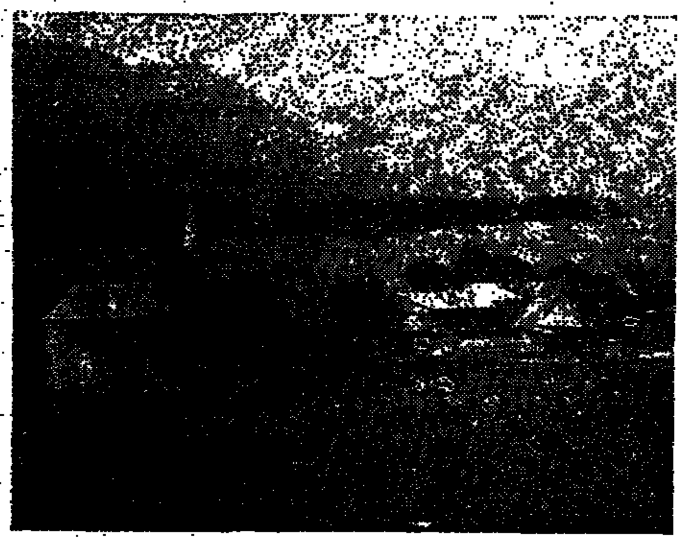




RESIDENTIAL PROPFRTY
Also appears today on Page 11



Still full of eastern promise



Vysoke Tatry-Zdiar, a typical East Stobakian village

TRAVEL

SYLVIE NICKELS

MY KNOWLEDGE of the historical complexities — and consequently the art treasures —of eastern Slovakia was, I confess, near zero until a few weeks ago. It was then that my charming guide, fortuitously also a student of art history, decided to take my ignorance in hand. I am grateful to her.

We were on a tour of the winter and summer facilities of the High Tatras resorts. The facilities are good and the mountains among the finest in Europe. Rearing up on the border with Poland, they are now protected as a national park and offer all the challenges any skier, walker, climber could wish for. They are also highly accessible via the airport at Poprad which sprawls at the foot of the High Tatras, only a few minutes drive from the main resorts.

It was in Poprad that my history lesson began. Itself somewhat industrial and unbeautiful, its suburb of Spisska Sobota is a real gem of Gothic and Renaissance, a combination repeated over and over again in this region-beneath-the-mountains known as Spis: delightful, totally unspoilt and stuffed with art treasures that would draw sightseers in their hordes anywhere in the west.

To do it justice you need independent transport. Like other countries in so-called East Europe, Czechoslovak tourism is best geared to pre-paid services and the vouchers that go with them. These do overcome the irritating requirement that you must spend a minimum of £8 per day of your stay since this will certainly be covered by your pre-paid services and, in addition, you are entitled to a substantial currency bonus in most cases if you have booked a Cedok tour.

Until recently, pre-paid services did not allow much flexibility for wandering away from pretty well-worn tourist trails. Now the situation has been improved by the introduction of a number of motoring tours. A fly-drive arrangement currently costs from £473 for return flight per person and two weeks' car with unlimited mileage regardless of number of passengers. You are not entitled to the currency bonus on this package, but you are if you take your own car. Based on a good hotel in the High Tatras, the cost in this case is £137 for each of two adults covering accommodation with half board for a week and the return ferry crossing Dover-Zeebrugge. If you are prepared to forego the currency bonus you can, of course, take pot luck with accommodation—not as fraught with hazards as you might think—and have the total freedom to travel as whim dictates.

But to get back to Spis, its story in brief goes like this. Following devastation by the Tartars in the 13th century, large numbers of Saxons were brought in to resettle the land and act as a defence against further invasion from the east.

Later, Romanian shepherds migrated into the area through the Carpathians and the merging of these varied ethnic groups with the resident Slavs has left the region with a rich folk culture and some unique forms of architecture. In all, 24 towns were founded in the area, creating virtually a kingdom within the then kingdom of Hungary. Their essentially Gothic framework in due course acquired the airiness and grace of Renaissance overlays, but whole districts of the smaller artisans' houses can still be seen contrasting with the grander dwellings of the merchants, usually grouped round a spacious main square dominated by the church. Gothic churches with imposing separate Renaissance bell towers are other major features of the area, as are some truly stunning altar triptychs and exquisite wood carvings, notably by Pavol of Levoca from the 16th century.

In all, 35 towns in Czechoslovakia, protected as "urban reservations," are being painstakingly restored and a very high proportion of them are in Spis and its neighbouring region to the east, Saris. Levoca and Kezmarok are two main centres of Spis, both only a shortish drive from the High Tatras resorts; at least a dozen more are worthy of a visit. For Saris you will need to allow more time and preferably a change of base. Kosice, Presov and Bardejov are its main centres, the latter being the smallest and most attractive, with little Bardejov spa just to the north of it for quiet accommodation. It is also an excellent launching point for some of the beautiful and little known wooden churches which pepper this remote part of eastern Slovakia.

Many of these are preserved from the 17th and 18th century, their steep shingled roofs, onion domes and multiple rooflets adding further distinction to villages where examples of charming domestic folk architecture also survive.

The oldest and best known church is now a museum (10 km south-west of Bardejov at Hervartov) dating from 1480, with vivid frescoes from 1665. North-east of Bardejov, I visited half-a-dozen others (and there are very many more) by or near the main road beyond Svidnik as it heads into the border hills with Poland. It was in these hills that ferocious fighting occurred in 1944 as Soviet and Slovak troops strove to cross the Dukla pass, suffering appalling losses. A memorial and museum commemorates the event at Svidnik, tanks and guns provide further reminder along the roadside, and some of the wooden churches are scarred with bullet holes.

These churches are still in use and reflect yet another quirk of east Slovak history, for they are neither Roman Catholic nor Orthodox but survivors of the Greek Catholic or Uniat faith whose priests may marry but which recognises the authority of the Pope in Rome. Most yielded frescoes or a finely carved iconostasis or some precious ecclesiastic adornment. In several we were shown round by the local priest who proudly brought out their service books still in the old Slavonic alphabet introduced here over 1100 years ago by the brothers Cyril and Methodius.

We ended up on the lonely Dukla pass, right on the Polish border, where another great war memorial towers above a cemetery of communal military graves. Not a cross was to be seen as I should have anticipated; but it gave a small sad shock all the same.

Further information: Cedok (Czechoslovak Travel Bureau), 17-18 Old Bond Street, London W1X 3DA.

Yes, it really is a Merc

The Mercedes 190E. Smaller, lighter and sprightlier but still reassuringly solid.

MOTORING

STUART MARSHALL

THE QUESTION, I suppose, was inevitable. I must have been asked a dozen times if the Sierra-sized 190 which weighs 600 lbs less than the compact 200 model, really feels like a proper Mercedes? Having just covered 1,300 miles in one, I can say hand on heart that it does.

The 190E automatic that carried me to Frankfurt and back last week had all the solidity and tangible engineering integrity one naturally associates with the famous three-pointed star. The seats, typically, were firm to the point of hardness. There was enough tyre noise to let me know what kind of surface they were rolling over. The instruments are proper dials with orange pointers—no electronic gimmickry for Mercedes-Benz. The multi-purpose switch for turn signals, wash/wipe and dip is in its usual place on the right of the steering column. The wheel, though sensibly smaller, is still covered with what looks like synthetic elephant hide.

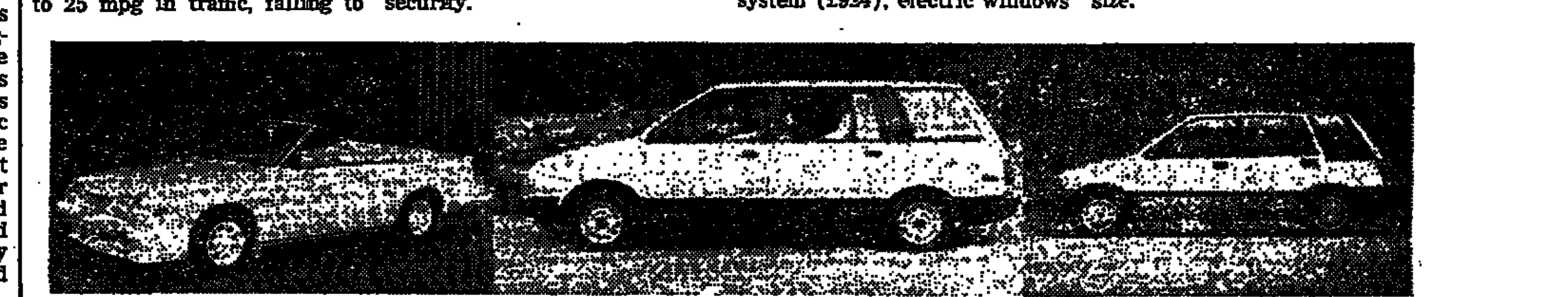
There is just a token piece of woodgrain surrounding the transmission selector, with its easy pull back into third if one prefers not to kick-down to overtake, or wants to hold the gear on a winding hill. The doors close with a reassuring thud.

With cruise control engaged, the 190E drifted along at a near silent 80 mph on the autoroute and held 110 mph with little noise and no fuss on the autobahn. I saw 120 mph several times. The overall fuel consumption was 27.5 mpg, rising to 25 mpg in traffic, falling to 30.8 mpg on non-motorway roads. The 5-speed manual car would be better still for economy though the automatic would be my choice. Apart from an occasional sharpness when accelerating hard, it worked impeccably.

What was new about the 190E compared with previous four-cylinder Mercedes was its positively sprightly behaviour if driven sportingly, cornering nimbly and with outstanding security.

The complicated five-link independent rear suspension that gives this disciplined handling combined with ride comfort would be too costly for most volume car makers to contemplate but the 190 is not a budget priced car. The cheapest 190, with a single carburetter, 90 horsepower engine is £9,685, the fuel-injected, 122 bhp 190E £10,640. Both have power steering, five-speed manual gearboxes, tinted glass, central locking and an electrically operated passenger door mirror as standard. The 190E I drove had among its extras air conditioning (£1,300), anti-lock braking system (£924), electric windows front and back (£516), electric sunroof that could be used at 80 mph without undue disturbance (£505) and cruise control (£200), making a total £14,456.

The 190 is not flawless. It shows some sensitivity to gale force sidewinds. I think the British buyer would appreciate a softer seating option. And a heavy-footed driver will become aware that the engine is a four not an in-line six, when the rev counter goes past the 5,500 rpm mark, where there is no reason for it to be anyway. The back seats are not very roomy especially if those up front are long in the leg. The boot, however, is of more than adequate size.



Mitsubishi Sapporo convertible. Seats for four people and reasonable boot space. Spacewagon from Mitsubishi. Front wheel drive and plenty of room inside. Honda Shuttle. One of three new Civics with 12-valve engines. It reaches Britain soon.

GERMAN CARS are the best in the world for quality. When you see the way they are driven on the autobahn you can understand why. Customers expect any car to cruise all day long if necessary at close to its maximum and they won't put up with roughness, frailty or lack of refinement.

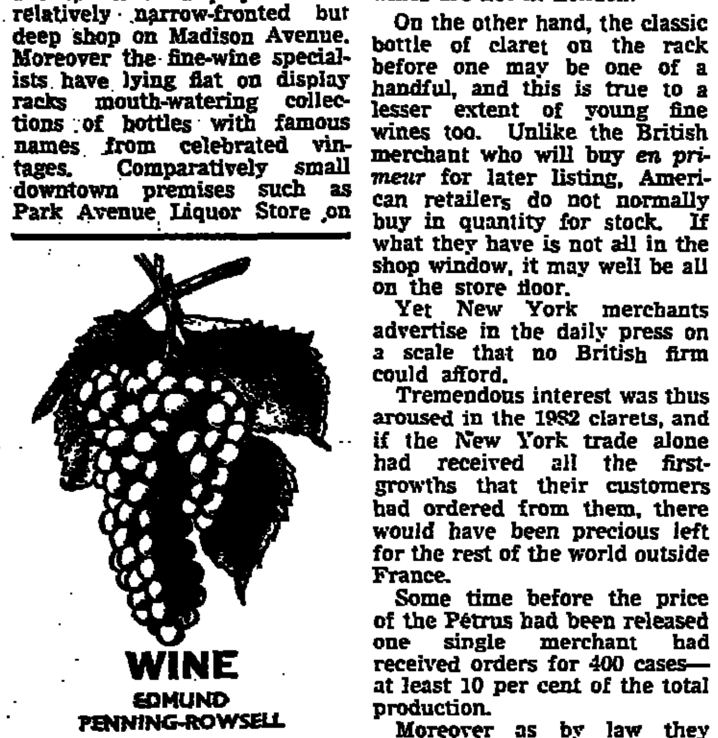
But for sheer innovation, the Germans must take second place to the Japanese. At Frankfurt Show all the Japanese makers had been pushed into an unattractive hall but their exhibits drew a lot of attention.

The Japanese are making the tall, thin estate car their own. Nissan, with the Datsun Prairie, and Toyota, with their occasional four-wheel drive Tercel Estate, led the way. At Frankfurt, Honda followed through with a Civic Shuttle and Mitsubishi with the Spacewagon. They all have one thing common; cross-mounted engines complete with transmission tucked into little dog-kennels of bonnets and interior space—especially headroom — car makers haven't provided since the 1930s.

There is nothing revolutionary about their technology. It's just that the Japanese appear to have perceived a slot in the market that European makers have ignored or overlooked. They did the same with occasional four-wheel drive, pioneered by the Subaru five years ago and now widely imitated. Alfa Romeo showed a 4x4 version of the new Alfa 33, with a coil sprung back axle driven from an extension on the main gearbox.

Convertibles, too, are back. Saab showed a very nice looking 900 soft top with an electric hood and back window. At present it is only a design study but if demand matures it will be produced to sell at around $25,000 (£16,000), mainly to the U.S. Mitsubishi's Sapporo soft top also had four habitable seats. Ford's Escort convertible looked pretty—so did the two door Sierra, incidentally—and the Fiat Strada (Ritmo) cabriolet is already available in Britain. Jaguar decided to keep back their HJS-HE Cabriolet for next month's Motorfair. It seemed a pity; Jaguar sales are booming in Germany and the cabriolet was half expected to be at Frankfurt.

All afloat in New York



WINE

EDMUND PENNING-ROWSELL

AS vinously-inclined visitors to the U.S. — or at least to parts of it — will be aware, it is now a very stimulating wine-producing, wine-drinking country in which to find oneself. Nowhere are there more enthusiastic growers or more dedicated wine amateurs and collectors.

Thanks to a Pan-Am project to publicise their new first-class London-Heathrow service by way of wine tastings held in mid-Atlantic earlier this year I spent some days in New York. There I not only attended a lecture-tasting of California Chardonnays, sampled a number of other California wines, but was introduced to very palatable New York State wines, hitherto generally regarded with disfavour by amateurs owing to their "foxy" taste arising from the hybrid grapes from which they have traditionally been produced.

However, in recent years plantings have been made of European varieties such as Riesling, Pinot Noir and Chardonnay. One enterprise that has been doing this in so northerly a district is Gold Seal, a vineyard more than a hundred years old in the Finger Lakes, and now owned by Seagrams.

At a dinner I was able to sample the 1979, 1980 and 1981 Chardonnay, and each year showed a fuller nose and greater depth of flavour than its predecessor. The 1981, oaky, fresh and crisp, with a good balance of acidity and fruit could take its place without fear among the Chardonnays from elsewhere in America and the rest of the world. Not yet available here in Britain, it may well be worth looking for by visitors to those New York stores that carry a huge range of American wines.

This, however, was just an introduction to the very animated, highly informed New York wine world. Animated because there is a very evident interest in fine wines (I was a guest at a $125 dinner of the New York chapter of the Commanderie de Bordeaux); informed, because the trade is much more open to inspection than here. All sales figures have to be published, so it is known that 12m bottles of Riunita Lambrusco were sold in the country last year, and 1½m bottles of Blue Nun Liebfraumilch.

Then the range of wines carried by the main wine stores is staggering. One firm stocks 200 different California wines, and Sherry-Lehmann, one of the oldest and most distinguished merchants, has no fewer than 1,500 different wines and spirits on display in their relatively narrow-fronted but deep shop on Madison Avenue. Moreover the fine-wine specialists have lying flat on display racks mouth-watering collections of bottles with famous names from celebrated vintages. Comparatively small downtown premises such as Park Avenue Liquor Store on Madison Avenue and Morrell on East 53rd Street show old vintages of first-growth clarets and large-format bottles of such rarities as Romanée-Conti and Pétrus, the top but restricted Pomerol estate whose wines it is the aim of almost every American collector to have in his cellar.

Open display is a feature of most American wine stores. Until a few years ago the uninitiated visitor to traditional British wine merchants might be forgiven, owing to the absence or sparcity of bottles, of wondering what trade "the partners" were engaged in. Although the great development of the High-Street trade has modified such reticence, there is probably more reliance in America on on-the-spot selling, partly owing to the wide variation in state liquor laws. Here in Britain mail-order business is much more prevalent in the "serious" side of the trade, for many of the firms with the choicest range of fine wines are not in London.

On the other hand, the classic bottle of claret on the rack before one may be one of a handful, and this is true to a lesser extent of young fine wines too. Unlike the British merchant who will buy *en primeur* for later listing, American retailers do not normally buy in quantity for stock. If what they have is not all in the shop window, it may well be all on the store floor.

Yet New York merchants advertise in the daily press on a scale that no British firm could afford.

Tremendous interest was thus aroused in the 1982 clarets, and if the New York trade alone had received all the first-growths that their customers had ordered from them, there would have been precious left for the rest of the world outside France.

Some time before the price of the Pétrus had been released one single merchant had received orders for 400 cases—at least 10 per cent of the total production.

Moreover as by law they cannot pay until the wines are delivered in 1985 they are dollars if not quids in. It must also be said that one reason why almost all the classed-growth 1982s were more expensive than expected, not to mention the very large "brokerage" profits that the Bordeaux merchants took, was no little owing to the assured huge demand from the U.S.

A combination of the legacy of Prohibition and a fervent belief in competition that would win Mrs Thatcher's warm approbation has produced some odd results in the New York wine trade. Two and a-half years ago the Fair Trading Act that insisted on a 50 per cent mark-up on cost and 35 per cent on spirits, was struck down; and now only a minimum of 12 per cent on spirits remains. This has thrown the trade into chaos, and some firms are credited at selling at cost or nearly. Moreover, it is impossible for a retailer to buy direct from Bordeaux or Burgundy, as here. For the importer has to sell to a wholesaler who then sells to a retailer. There is a certain amount of "linkage" and "kick-back," and a retailer may claim a 5 per cent on a minimum five-case order, but the regulations, which apply everywhere in the country tend to increase prices where the retail mark-up alone is generally considered a necessary 50 per cent.

Nevertheless the dealers in fine wine have some advantages. It is illegal to give credit to customers on wines and spirits, although in fact some important clients may expect it. Then, so far, supermarkets and chains cannot sell alcoholic drinks, although how long this will apply is an open question.

Competition is encouraged by the monthly publication of the *Manhattan Wine Directory*, which lists 3,000 prices of 11 Manhattan wine stores, including in the copy I have varying vintage of 124 claret châteaux, back to Lafite '59 ($295 a bottle) and Latour '61 ($346). An enormous range of California wines is listed by estate and grape variety. Any keen wine drinker spending some time in New York might well be advised to take out a $60 annual subscription (Suite 7D, 285, Riverside Drive, N.Y. 10025).

Moreover, in the International Wine School (144, West 55th Street) New York claims to have America's largest wine "academy," with courses starting every fortnight. And the attractive restaurant on the floor below contains a glass-fronted cabinet in which from open bottles kept sound and fresh by inert gas, glassfuls may be ordered, from Beaujolais up to Lafite and Yauzm.

High Street vintage

Sainsbury's have recently added to their 85 own-label wines an assortment of 20 vintage ones, nearly all single-vineyard. Since, unlike traditional wine merchants, they must only buy ready-to-drink examples for immediate sale, this presents a problem linked with the quality of each vintage and particularly applicable to red wines requiring bottle age. So the whites appear the more successful for those looking for quick consumption. My preferences in the range, stocked in whole or substantial part in 149 of their 327 licensed branches are as follows:

White

Muscadet, Domaine de la Bretonnerie 1982 (£2.99). This sur lie wine is crisp, with more flavour and character than many Muscadets. Good value.

Sancerre les Perriers 1982 (£4.65). Lively, with a hint of SO_2, and a good balance of fruit and acidity without the aggressive greenness often found in this Sauvignon wine.

Meursault 1980 (£6.95). This strong-flavoured, full-bodied wine has a good deal of oak on the nose and palate. A success in an off-year.

Deidesheimer Herrgottsacker Kabinett 1981 (£4.10). This Von Buhl Palatinate wine owes its distinction and fruit-acid balance to it being a Riesling and fairly dry.

Ch. de Beaulieu, Coteaux de Layon 1980 (£2.80). This sweet Loire is an admirable picnic wine, with seductive aroma and sufficient acidity to avoid flabbiness.

Clos St. Georges, Graves Supérieures 1981 (£2.99). This surprisingly deep-coloured, luscious wine is in fact the surplus production of the well-known Barsac, Ch. Menota. Very good value and excellent to accompany summer fruits.

Red

Ch. de Gourgazaud, Minervois 1980 (£4.99 a magnum). This big-flavoured, full-coloured Midi wine matches the bottle. Good value for parties with more quality than often to be found at them.

Ch. La Borie, Côtes du Rhône 1982 (£2.99). Typical strong-flavoured Rhône that should taste even rounder if kept for a year.

Ch. Jean Fauré, St. Emilion 1979 (£5.45). My choice in a difficult-to-make selection of clarets, this *grand cru*, already browning in colour, makes light, easy drinking but with some distinction.

Domaine de Palestor, Châteauneuf-du-Pape 1979 (£5.25). Big colour, strong, even aggressive nose and flavour, but true in the style for which many like those powerful Rhônes.

Quinta da Bacalhoa 1981 (£3.65). This full-coloured wine from near Lisbon has the fine bouquet and distinguished flavour derived from the Cabernet-Sauvignon grape. A flattering, suave wine that will improve with keeping.

Charmed circle

BY ANTHONY CURTIS

A Durable Fire: The Letters of Duff and Diana Cooper 1913-1950
edited by Artemis Cooper. Collins. £12.95, 333 pages

Private letter-writing is the most spontaneous of literary arts. Once you start changing things, crossing-out and re-jigging, you move into the domain of the essay. Letter-writing is a one-off exercise in which the first draft ought to be the last draft. What Derrida calls *la différence* — that fatal moment of deferral between a thought and its expression in words—is reduced to the minimum. Such a free-flow of language is most easily achieved between intimates, people perfectly in tune with each other. Diana and Duff Cooper were a remarkable example of the process.

It is rare to find a correspondence duo in which both sides are of equivalent verve and strength. They were both natural, uninhibited letter-writers. It so happened that for long periods of their lives, both before and after their marriage, they were separated: when Duff Cooper went off to the Front in 1917, and later when he became a Minister in the 1930s on various diplomatic missions abroad; and while he was a humble backbencher in Westminster, Lady Diana was starring in Max Reinhardt's greatest ever spectacular, *The Miracle*, on the Continent and in America. The erratic nature of the postal service meant that sometimes as many as five of her letters, rapidly penned in the dressing room before the curtain went up, would arrive at the same time.

Duff Cooper flatteringly suggests that one day her beautiful letters to him should be made public. True they were both very public people, but the whole point of the letters was that here for once they could drop the public mask and speak to each other in perfect freedom.

Ought, then, the letters to have been published? It is not as if they "shed fresh light" (as they say) on any great works of art (*pace* the shade of Reinhardt) or public policy, only on a set of people who though endearingly, witty, courageous and high-spirited were also appallingly spoiled and self-indulgent. After all, we have previously had Duff Cooper's autobiography *Old Men Forget*, three volumes of memoirs by Lady Diana and Mr Ziegler's biography *Diana Cooper*, now available in Penguin. I imagine the question must have weighed quite heavily with both Lady Diana and her granddaughter, Artemis Cooper, who has edited the letters, when the notion of publication was first mooted by Mr Ziegler in his capacity as senior editor at Collins: to publish or not to publish?

I confess to at first having felt that publication was probably a mistake. Unless written by Keats or Byron, other people's love-letters can be acutely embarrassing. Here I was often embarrassed by what the recipent at the time no doubt found enchanting. And I know of course that at the period when these letters were written educated English people used words like "nigger" freely in private to each other without any particular racial animus, as a kind of joke; but it is a joke that tends to missfire when you read it nowadays. Setting aside these perhaps squeamish objections there is much repetitiousness in the book and much is left hanging. For instance, was Raymond de Trafford expelled from his Club or not? After a tremendous build-up the matter is left unresolved.

However, as I read on, caught up in vitality of the letters, my murmurs of dissent died down, to be replaced by a more positive sense that here was a unique, inside account of a charmed circle whose members governed England between the wars. Duff's letters from France during the last phase of the first war (in which he was awarded the DSO) are characteristically astringent in the midst of unspeakable horrors. The couple's love of Shakespeare is put to practical use when he informs her of where he is by reminding her of the thing behind which Polonius met his death. When Diana was performing in America her pen, too, was often wickedly funny, as in her account of a visit by Chalapine after the show ("He wanted a romp") and the ensuing tussle. Sometimes in her absence Duff Cooper would dine alone at his Club:

> During my hasty meal I sat next a man whom I thought charming. He was humble and shy. We discovered that we had both been in America and discussed that country. Because he was humble I became patronising — and when I left I casually asked the head waiter who the gentleman was I had been sitting next to—"Mr P. G. Wodehouse." I wished I had been nicer.

During World War II Duff was in Algiers negotiating with Giraud and De Gaulle, and at that point in the last few pages of the book their world becomes ours.

Lady Diana Cooper in "The Miracle." In this mime play, set to Humperdinck's music, he played a statue of the Madonna that comes to life. The production, a revival, ran for three years in America, from 1924 to 1927, and after that toured Europe.

Widow's idyll

BY MARTIN SEYMOUR-SMITH

Perfect Happiness
by Penelope Lively. Heinemann. £7.95, 234 pages.

Penelope Lively's transition from superb children's writer to novelist was rightly applauded. This, *Perfect Happiness*, her fifth, is her best. It is about a woman bereaved of a husband with whom she had known "perfect happiness," and about her memories of their life together, and, above all, about her search to recapture what she had already experienced—and the inevitable disillusions. *Perfect Happiness* is an unsentimental book, quite relentlessly so; but it is written with warmth and understanding and an almost unbearable discipline. Its unfashionable affirmation will appeal to more readers than she has already gathered.

Fiction

White second

BY NICHOLAS BEST

The Burning Book
by Maggie Gee. Faber and Faber. £8.50, 303 pages.

The Loser
by George Konrad, translated by Ivan Sanders. Allen Lane. £8.95, 315 pages.

The Good Father
by Peter Prince. Jonathan Cape. £7.95, 204 pages.

Act of Darkness
by Francis King. Hutchinson. £8.50, 332 pages.

Hibakusha is the theme of *Maggie Gee's second novel The Burning Book*. Hibakusha, an off-putting Japanese word meaning atomic victims, the awful un-dead *still crawling* the streets of Nagasaki — a world away from the symbolically named Lamb family whom the book is ostensibly about, yet potentially no different.

Three generations of Lambs, nobodies in Wolverhampton, live ordinary, dull and largely unprotesting lives until one morning the Big Bang does for all of them before they realise it—Lorna and Henry (Ship) in Kew Gardens, "George in Germany still half believing goodness would win . . . Angela and John in the same white second, half a mile apart, in the middle of a tiff . . . Prunella bad-tempered on a bus to see her mother . . . Guy and his family rather later in Brisbane, *scorched quite slowly, deprived* of ozone."

A familar enough theme, nuclear holocaust, but seen here from an unfamiliar perspective. Maggie Gee has declared herself an experimental writer—she has a degree from Oxford on surrealism in English writing—whose mission is to crack existing formal modes and push back the frontiers of innovation. Almost alone among younger contemporary novelists, she is prepared to stick her neck out, play with words (literally, if the last page is anything to go by), and see what happens. It is with her neck thus extended that she must be judged.

What she has written is a difficult book, more difficult than it needs to be, so exasperating in places that one longs to throw it at the wall. In structuralist circles an experimental novel with a sombre, apocalyptic theme may be a laudable end in itself, but a wider audience is entitled to something more for its money. Fortunately there is more. What ultimately saves the book, makes it worth persevering with, is the sheer quality of the writing, which in places borders on the sublime.

On a scarcely less cataclysmic plane is George Konrád's *The Loser*, an odd story—translated from the Hungarian — of the life and times of an intellectual Jew and his sufferings at the hands of neo-Nazis, Communists, anti-Communists, indeed everyone except women, with whom his relations are usually at the other extreme.

It is difficult to say exactly what this book is about. It begins in a lunatic asylum, with the narrator looking back on a *lifetime of dissidence* against whichever regime happens to be in power—except in 1956 when he himself was a Minister and carried out reprisals of his own—and continues with an appalling catalogue of man's inhumanity to man interlaced with long philosophical asides which seem to have strayed in from a different work.

Ultimately Konrád is concerned with suffering. Yet his style for the most part is breezy and engaging, free of the hectoring, reproachful tone one might expect. He enjoys gallows *humour*, literally in some cases; and the images he presents linger powerfully in the mind—a sergeant murdered in excrement, a box full of jewelled fingers, a mass executioner at work with an axe, an agitprop loudspeaker pointing at the German-Hungarian lines. His material is unpleasant, yet he manages somehow to make it all seem quite cheerful.

Cheerful too, at least to begin with, is Peter Prince's *The Good Father*, a wry and horribly accurate picture of a group of late 1960s undergraduates 15 years on. The commendable parent of the title is Roger Miles, unhappily married to Cheryl, once a Vietnam protester and campus star, now a lesbian feminist and author of "The Way Forward" (Crouch End Women's Collective).

Aided by Bill Hooper, a former Left-wing student whose chief delight in the 1980s is to watch his contemporaries going bald, Roger sets out to win custody of his son from Cheryl. The ensuing legal battle provides the vehicle for a flesh-creeping portrayal of the Vietnam generation as they are now — breaking faith even to the extent of sticking flags in a Falklands map in support of Mrs Thatcher.

Alas, *The Good Father* promises more than it delivers. It begins as a requiem for the 1960s, a delicious satire on the arrogant young of those days who knew for certain that they had the answer, but tapers off into a middle-aged lament on the agonies of divorce. Nevertheless, its heart is in the right place, and one recognises the characters instantly.

Francis King's *Act of Darkness* is a bizarre tale of murder at a hill station in India between the wars. *Six-year-old* Peter's throat is cut one dark night, and although the blame for this unsolved crime is officially attributed to intruders, our money is on one of the family having done it—jealous *half-sister* Helen perhaps, or father Toby in the middle of an affair with beautiful Eurasian governess Clare, or Clare in the middle of an affair with Toby.

Not for many years is the mystery solved, *and then only* when two of the cast meet up by accident in Australia. But although this reads like a detective story, it is also an instrument for the author's recollections of his own childhood in India before the war. At that level, it succeeds. As a whodunnit, it is less convincing.

Maggie Gee and Francis King: the experimental and the traditional

Crimes

BY WILLIAM WEAVER

Hollow Vengeance by Anne Morice. Macmillan. £5.95, 173 pages

Between engagements, Anne Morice's charming actress-sleuth Tessa Crichton *goes to spend* some time with an old friend in the country. But instead of rural peace, she finds a vipers' nest of local hatred, vicious spitefulness, and finally murder. Needless to say, Tessa—with support from her policeman husband—unravels everything. The tone, as always with this author, is light and winning. There are occasional awkwardnesses in the writing which suggest haste (and the absence of a copy-editor); but all in all, the latest Crichton adventure is as enjoyable as its numerous predecessors.

Copper, Gold and Treasure by David Williams. Collins. £6.75, 213 pages

Count on Mark Treasure, the ultra-respectable banker, to become involved in elaborate, fanciful villainy. This time the ingredients include an African political leader in exile, a Trust *for Retired Officers* (and an improbable, but irresistible pair of the same), an eccentric old lady, an international crook. *Plots and counter-plots*, but the author leads the reader through them with skill and wit, and with a minimum of gore. Sparkling fun.

Bad Company by Liza Cody. Collins. £6.50, 200 pages

Another Anna Lee, private investigator, adventure, the *second in which one hopes will* be a long series. Anna is a likeable character, her surrounding cast of colleagues is sufficiently varied, and the scrapes she gets into have the ring of reality. There is also an underlying humanity in Liza Cody's inventions that enhances their eminent readability.

When the Death Penalty Came Back by G. J. Cadbury. Macmillan, £6.50, 191 pages

A hard book to take. Whoever he is, the author ("Cadbury" is a pseudonym) is clearly an advocate of the death penalty. Well, that is his right; but he also seems to be an advocate of vengeance which is really the subject of this loaded, unpleasant, and mischievous novel. Not recommended.

Clerihews

Cimabue
Liked his food gooey
Giotto
Preferred a plain risotto
Giles Robertson

When Arthur Hugh Clough
Was jilted by a piece of fluff,
He sighed 'Quel dommage'!
And wrote 'Amours de voyage.'
W. H. Auden

Two specimens from Other People's Clerihews, chosen by Gavin Ewart (Oxford, £5.95). At the same time Oxford are publishing a revised paperback edition of The Complete Clerihews of E. Clerihew Bentley with an introduction by Gavin Ewart at £2.95.

Air waves

BY B. A. YOUNG

A Variety of Lives
A Biography of Sir Hugh Greene
by Michael Tracey. Bodley Head. £15.00. 344 pages

Sir Hugh Greene, in the first of his variety of lives, was a first-class foreign correspondent for the Daily Telegraph, for which he covered events in Germany from 1933 to the start of the war. But at that stage, he was still not sure that he might not prefer a career in the film industry. (He had been founder and first President of *the Oxford University Film* Society.) He comes out of Michael Tracey's book as a man without deep attachments. The changeful nature of his career is echoed in his variety of wives, of which he has had three.

When the German Army chased him out of Europe, he joined the RAF, where as an *Intelligence Officer he interrogated* German pilots crashed in England. From this he progressed to the BBC's German news service: he spoke excellent German and knew the German character. When hostilities *ended* he *was seconded* to the Control Commission to rebuild German broadcasting, and he created Nordwestdeutscher Rundfunk in a BBC-based mould showing some of the characteristics that later illuminated *his* time *as* the BBC's Director-General.

From Hamburg he went to Bush House, where Sir Ian Jacob, then Director of the Overseas Service, took him under his wing. He went to Malaya to organise radio in the struggle against the Malayan Communists; when he came back, Sir Ian gave him a series of executive posts to groom him for the senior position in the Corporation he was clearly bound for, culminating in the appointment of Director of Administration.

In his next job, as Director of *News and Current Affairs*, he was better able to display his individual qualities and this led to his appointment as the next Director General after Jacob. There was a worry that he might be a Roman Catholic, like his brother Graham. "I'm a respectful agnostic," he said, and a kind of agnosticism has coloured all he subsequently did.

Professor Tracey's book, in which adverse criticism is only reluctantly admitted, shows Sir Hugh as a man whose judgments are formed not from any innate commitments but from instant analyses. This is a good quality in journalism (and Sir Hugh continues to feel himself *a journalist* at heart) *but needs* watching elsewhere. "I think journalists have tended more and more to have become people for whom everything is just fun," Sir Ian Jacob wrote. "No values at all, and this was *what I was frightened of.*"

Sir Hugh was apt to deal with a complaint with a "What is the fuss about?" attitude. Certainly broadcasting—television, anyway—became more fun during his tenure of office; he *had to fight for That Was the Week That Was* and *Till Death Us Do Part* and *Steptoe and Son*, and if we remember him for nothing else, at least they encapsulate the mood of his time.

It came to an end when Lord Hill replaced the friendly Sir Arthur fforde as chairman of the governors. *Sir Hugh devotes* himself now to brewing and publishing, after having had a Byronesque adventure in toppling the Greek colonels. He has also anthologised the rivals of Sherlock Holmes. It is my bet that he is not very *much* interested in the possibilities of cable television.

Browsers' oasis

BY A. L. ROWSE

Blackwell's 1879-1979: The History of a Family Firm
by A. L. P. Norrington. Blackwell. £12.50. 191 pages

I hope it is not invidious to say that Blackwell's is the most *famous* bookshop not only in Britain, but in the English-speaking *world—when one con*siders its enormous mail-order business in America, South Africa, Australia, and India too. Now, after its centenary, it has had a unique book devoted to it. There are many histories of businesses, but far fewer of family firms, and I know none that has such a personal touch as this, wholly delightful and amusing.

It is beautifully written, by a neighbour of the bookshop—a former Vice-Chancellor and President of Trinity College next door—with considerable contributions from Sir Basil Blackwell. *Though* he has suppressed himself, he is recognisable everywhere by his prudence, tact, public spirit, charming humour, the Victorian values of his father (for he himself is approaching his centenary—an institution in himself).

Sir Basil was born in the room above his office, not—as Oxford legend has it—in the office itself. "Up the stairs came the blended scent of printer's ink, binder's *paste*, *leather* boards, and book dust, which was to be the breath of my nostrils through life." For, of course, in addition to the bookshop there was printing, and then came publishing. Naturally, it *was the shop that* was the familiar side to generations of Oxford men and women. There we did quite a bit of our own reading—the Victorian phrase for it was a "house of call" (though I wickedly thought *that meant something else*). This enabled one don to call it "one of the better Oxford colleges," while another said, "How few undergraduates realise when they leave Oxford, how much they owe to Blackwell's?" One famous Lord Chancellor—himself High Steward of the university—never settled his three-figure bill for decades after going down.

Today, the story is of expansion in bookselling—to include Parker's, George's at Bristol, a *music shop which sells every*thing except instruments. In publishing the only disappointment has been that of élite books, like the editions of the Shakespeare Head Press, the market for which ceased with the new social order. *One great* surprise is that periodicals now account for more than half the turnover. Expansion—with out*side subsidiary interests in* Scandinavia, Holland, Canada—has been the order of the day all along.

Even the one misprint—"expension" for "expansion"—appropriately carries the message.

Italian industry is no longer concentrated in the triangle bounded by Milan, Turin and Genoa but is more widely spread. The key question now is whether big institutions are changing sufficiently to take account of these transformations

Rivalry brings prosperity

BY JAMES BUXTON

ALMOST EVERY Italian city and town in the north and centre of the country, and to an increasing extent in the south, has its own industrial or commercial specialisation, as well as an intense, historically-rooted rivalry with its neighbours.

Like their equivalents in the Renaissance, these industries are based on a network of medium-sized and small businesses which give work to even smaller units, at some point crossing the hazy border into what is called the submerged or black economy.

The post-war world economy was bound to favour Italy. But what has enabled the country to develop the way it has is the absence of a strong, let alone oppressive central government. Instead Italy has had governments which have been extremely responsive to the demands of the cities and the regions, as expressed by their political elites, and all too willing to spend money, even if it has had to print it. The money has tended to go to preserving the status quo, whether by supporting the losses of an inefficient steel plant in Genoa, or paying for unimaginative, but politically essential, schemes in the south. But the result has always been high domestic consumption.

In the partial vacuum caused by a weak, but munificent state, the economic map of Italy has changed. Industry is no longer concentrated only in the "industrial triangle," the area bounded by Milan, Turin and Genoa, home of the big companies like Fiat and Pirelli. Instead it has spread into formerly, mainly rural north-east Italy. The Po valley, down into central Italy (Tuscany and Umbria) and along the Adriatic coast into the south. The difference in wealth between the north and centre and the south, the last still imprisoned by its different history, social attitudes and the disadvantage of distance, may be giving way to a new division. That between the west with its big industries and big, often ailing cities and the east, with its smaller and more manageable towns and economic institutions.

Many of these changes have taken place because of the immense demographic shifts that have occurred in Italy since the war. Half the population of 57m is reckoned to have made a major move, not just from south to north, but from hillside to valley and from country to town. Many of those who have moved were once peasant farmers, managing a mixed holding and directing their families in the most economical use of their labour.

A successful new urban generation has emerged

This new urban generation of former peasants has shown in the past 10 years that it possesses what is needed to create new industrial and commercial units, whose strength and resilience seriously rivals the big companies.

Perhaps the key question, however, is whether Italian institutions have changed to take account of these great transformations. Among the country's political class there has long been a tug-of-war between centralism and regionalism. Centralism undoubtedly had the upper hand from the creation of the Italian state in the 1860s on the lines of the highly centralised government of Piedmont, with its prefects in every province reporting directly back to the capital. The fascist period was in a way the apogee of centralism.

After the war it was recognised that some of the peripheral parts of the country, often with non-Italian inhabitants, needed special rights if separatism was to be restrained. Sicily was given special regional status in 1946 and Sardinia, the French-speaking Valle d'Aosta, and the Trentino Alto-Adige with its German minority followed, while Friuli-Venezia Giulia, on the Yugoslav border, obtained special status in 1963.

But the 1948 constitution also provided for regional governments in the rest of Italy. The forces of the right and the Rome bureaucracy managed to oppose the actual introduction of regional governments until 1970 and it was not until 1977 that it was firmly established what their powers were.

The Italian economic miracle of the 1950s and '60s, therefore, took place under the supposedly centralised system consisting of central government, the 95 provinces and the 8,000 communes. The central government had (and still has) virtual monopoly of taxation.

Central government, however, was in practice weak. The constitution was intended to provide enough checks and balances to prevent the re-emergence of a Fascist dictatorship. But it has also prevented governments from doing almost anything by executive action. While democracy and a country with strong regional differences has meant that politicians in Rome were heavily conditioned by their local political bases. The polarisation of the country between Christian Democrats and Communsits made both parties dig themselves in even more deeply at the local level.

The belated creation of regional governments and assemblies was seen as a victory for the Left. It was also thought that it would make government more responsive to the rapidly changing needs of the governed, in particular responding to the mushrooming of small industries around the towns and providing some coherence to an otherwise spontaneous, even chaotic, process of development.

The regions were given control of social services, the local economy (particularly agriculture, commerce and tourism) and of urban and rural planning. Their powers were much less than those of the regions in West Germany but the resulting system is a great deal less centralised than those of France or Britain.

The regional governments have not, however, lived up to their promise. Far from representing a break with the old system they have tended to reinforce it. It is often more difficult to form the executive of a regional governmentthan it is to form a government in Rome. This is parly because the political parties involved are usually under the control of party headquarters in Rome and a concession by one party in one region may have to be offset by a concession from another somewhere else.

The result is instability and long periods without regional government, preventing very much from getting done. The fact that the bureaucracies of the regional governments, now 75,000 strong were founded on cadres seconded from Rome, who took the bad old ways with them, has done nothing to help. The regions as a whole consistently fail to spend the funds they obtain by right from Rome —the amount unspent was almost L5,000bn ($3.12bn) at the end of 1980, and has almost certainly risen since. It is perhaps just as well they have virtually no powers of taxation.

The regions have found that most of the money that comes to them has to be spent in a way laid down by central government, and though the regions have passed 8,000 regional laws since they came into existence few have done more than add to the thousands of often half-baked laws with which the Italian people is afflicted. True to the Italian tradition that the old is never swept away when the new comes in, provincial administrations are still intact so the regions have just added another tier of government.

Those who believed that regional governments would at the least "tidy up" the creeping economic and urban development of the past decade or so by supplying missing services, controlling pollution, providing finance to deserving concerns and promoting a coherent industrial strategy have generally been disappointed.

A survey by Censis, the social research organisation found that though most regions have by now drawn up a regional development plan (except for four delinquent regions in the South) only two (Friuli-Venezia Giulia, and the autonomous province of Trentino) had gone to the next, more practical stage of producing a territorial co-ordination plan.

Regionalisation has weakened central government

Censis says they have been generally bad at providing services like refuse disposal and sewage treatment and they have not taken a comprehensive view of transport needs.

Although the regions have mostly set up finance companies to assist and develop industry, they have usually been relatively rather inactive, often concentrating on rescuing failing companies rather than starting new ones and frequently duplicating the work of more efficient private sector finance companies.

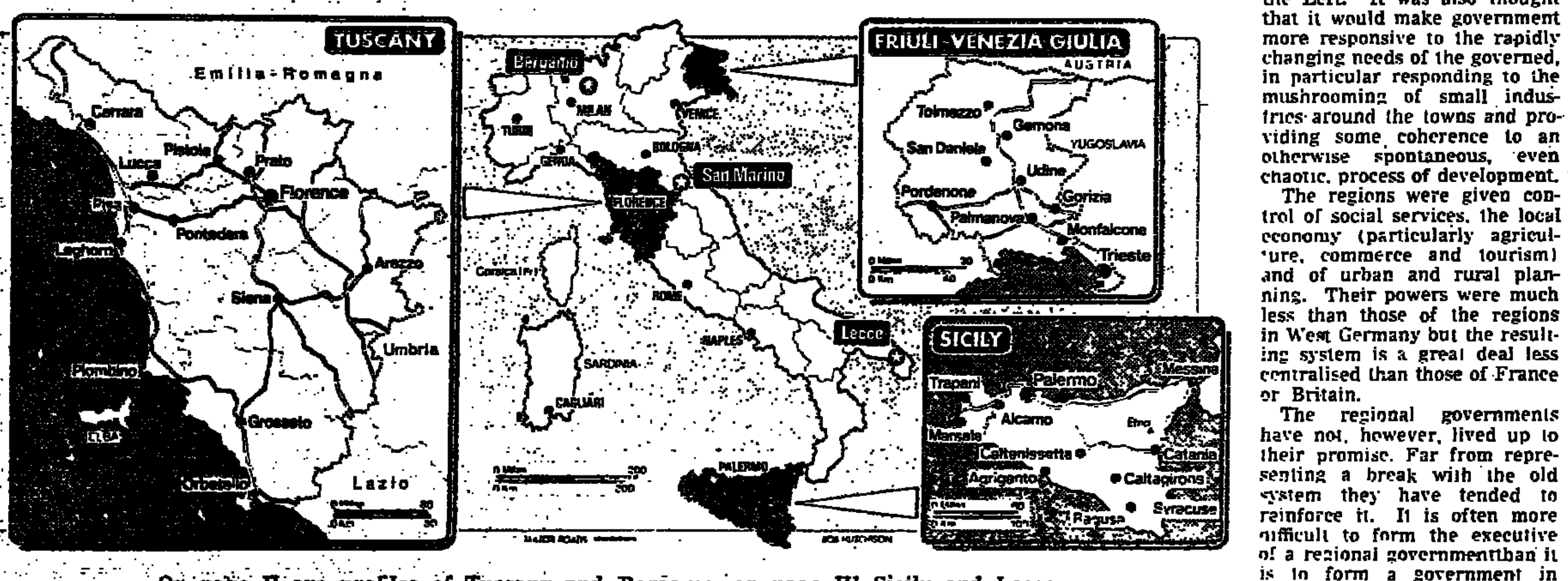
If regionalisation has not greatly strengthened the areas it is supposed to serve, has it weakened central government? The answer is yes, because although the regions do not have enormous powers, they do dispose of patronage which makes local politicians more important. So it is now yet more essential for aspiring national leaders to build up local power bases with networks of dependent clients, and this makes it even harder than before for central government to do unpopular things - like close an obviously uncon[omic] chemical works, or build [a] badly-needed power station.

Although the Italian State [is] poor at providing services, [or] even justice, it creates an ide[al] climate in which the skills a[nd] dynamism of ordinary Italia[ns] can flourish. Many would s[ay] this is a refreshing and enric[h]ing change from the militaris[m] of united Italy's early regime. But it is a little depressing [to] read the words of Sig Roma[no] Prodi, the economist who is no[w] chairman of IRI, the Itali[an] state holding company, and wh[o] has done most to praise a[nd] explain the Italian system of [in]dependent towns and small bus[i]nesses.

He said recently: "Italy['s] most worrying feature is the lo[w] level of operational capacity [of] the state, and of the Governme[nt] in particular. It may be that [it] is precisely because the Sta[te] is so weak that Italian socie[ty] is so much alive and so innov[a]tory. But I am personally co[n]vinced that without an orga[n] which is in a position to propo[se] large-scale projects designed [to] upgrade production and tran[s]form the economy, and then [to] govern these projects, Itali[an] society does not have a ve[ry] promising future ahead of i[t]. Neither will it write muc[h] history.

"Spontaneous vitality ma[y] lead to a great capacity [to] adapt, as indeed it has done i[n] the past. But without larg[e] scale projects, without collecti[ve] goals, without an enhanceme[nt] of the system, Italy will increa[s]ingly remain an object [of] curiosity to historians and soci[al] scientists, and increasingly le[ss] a protagonist in its econom[ic] and political affairs and wi[ll] therefore lose its hold on i[ts] own future."

Florence, surrounded by the charms of Tuscany, one of Italy's favourite tourist regions



On page II are profiles of Tuscany and Bergamo, on page III Sicily and Lecce and on page IV Friuli and San Marino

Province of pleasant blends

Tuscany

RUPERT CORNWELL

IF EACH of Italy's variegated regions is special, then Tuscany is more special than most. For the tourist—at least the discriminating one—it is the *epitome of almost everything* which makes the country worth visiting. The landscape of gently rolling hills blending gradually into the harsh Appenines has been the backdrop of some of the world's greatest paintings for more *than seven hundred years.* Its art treasures, its cities built to the measure of man and the restrained dignity of its inhabitants have a timeless appeal.

Not least of its gifts is the Italian language itself. first given formal literary expression by *Boccaccio, Petrarch and* above all Dante. "Lingua Toscana in bocca Romana" is how modern Italian is commonly described. But there is another reality of Tuscany which does not contradict the fond vision of the foreigner but instead naturally complements it—and indeed has naturally grown out of it.

Manifold statistics would suggest it—and the opinion *polls which have been* conducted emphatically confirm it —that Tuscany is one of the pleasantest and most rewarding —financially and otherwise— places for the 20th century Italian to live. It is one of the largest Italian regions yet *by no means the most populous.* Florence, the regional capital and in the view of many (even non-Tuscans) view the most agreeable of the larger Italian cities to live in. has only 460.000 inhabitants. Tuscany appears nowhere crowded except in its north-western corner. when the *motorway* from Florence to the coast carries you towards Pisa, Lucca. Livorno and then northwards to Massa and Carrara.

The 1981 census showed that the region's population was under 3.6m. out of a national total of over 56m. The southern threequarters of Tuscany remain largely agricultural.

To the tourist. and the foreigner in general. Tuscany is perhaps *best known for the* products of its soil. in particular the olive oil which the impartial concede is Italy's. and perhaps the world's, finest. and its *wines*—above all. of course. Chianti, which alone accounts for 70 per cent of the 1.7m hectolitres produced annually by Tuscany.

Art and fashion

But the daily reality of the region today is industry, small medium-sized and large. Tuscany *has its art. its fashion* like Gucci in Florence. its beaches and even an archipelago in the Tyrrenian Sea. stretching in an arc from Gorgona in the north through Elba and Giglio to end at the peninsula of the Arorntario. one of Italy's smartest *summer resorts.* But *in terms* of income generation these most obvious resources count as little compared to industry.

If truth be told, moreover, *industry has been entrenched in* Tuscany for millennia. The Ancient Romans exploited the rich iron ore of Elba and much later *there grew up* on the *mainland opposite* at Piombino one of the largest of Italy's steelworks. It is now owned by Finsider, the state enterprise, and is alas no stranger to the troubles of the Italian steel sector.

Jewellery. another of the industries for which the region is best known. has by all accounts even more distant origins.

Other manufacturing activities. however, have more recent beginnings. Engineering is represented above all by the Piaggio motorcycle works at Pontedera. near Pisa. employing 8.000 people. and Nuovo *Pignon,* the power engineering subsidiary of the Eni energy group, based in Florence. But these. together with the factories in Tuscany of Montedison. Olivetti and Uno-a-Err on the outskirts of Arezzo—the world's largest manufacturers of jewellery. *are but the visible tips of* a great industrial iceberg.

For Tuscany. as much if not more than any other Italian region. is identified with small and medium-sized industry. Employment in industry increased by 11 per cent in Tuscany between 1971 and 1981. according to the census—one of *the largest increases by any* region. But the 93.000 classified productive units employed just over six men apiece. In craft businesses like jewellery and some specialist clothing activities the figure frequently drops to just one.

As such, the region has become one of the symbols of *the new trend in the develop*ment of Italy—away from the traditional "industrial triangle" *of Piedmont,* Luguria and Lombardy towards the Veneto in the east and above all Emilia Romagna and Tuscany to the south. Moreover, the pre*dominantly Left-wing* region's administration (with the exception of Christian Democrat Lucca, Communists and Socialists are in power almost everywhere). are determined to build on the success thus far.

Sig Luciano Ariani, the municipal councillor in charge of economic affairs in Florence, points out that the city stands only fractionally behind Rome as the fourth biggest centre of industry in all Italy after Milan and Turin. Unemployment there is well below the national average of over 10 per cent, while Tuscany at large is becoming a steadily more important ingredient in Italian exporting.

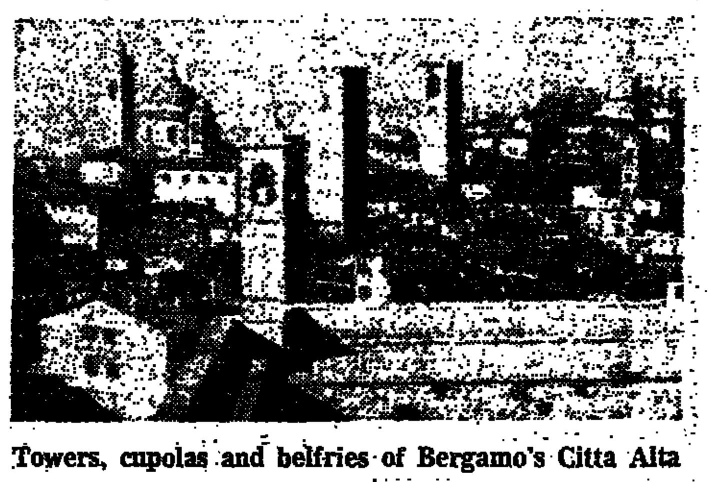
Over the last few years exports by value have risen 20 per cent annually or more. The region's net trade surplus in 1981 reached L3,571bn, double the figure of five years earlier. Industries like textiles (grouped *above all around Prato, just* north of Florence), engineering goods and craft items like jewellery, leather goods and fashion.

More flexible

Today, understandably, the recession gripping Italy is evident in Tuscany also but it *arrived* later than elsewhere because small industry, is more flexible than its larger counterpart, held up better *and* for longer. But it too is now suffering and few doubt that a painful period of adjustment is ahead, even though most are optimistic that the setback will prove temporary.

There are signs too of a shift *into high technology* areas, like biomedical equipment and automated tools, as well as into the tertiary service sector — for which cities like Florence are ideal. Then there is tourism, *in* constant development, and a natural makeweight for *any drift away from the land.* All in all Tuscany is a favoured and fortunate place — and one, it is easy to suspect, which can only increase its relative weight in the Italy of the closing stages of this century.

City where views are breathtaking



Towers, cupolas and belfries of Bergamo's Citta Alta

Bergamo

RUPERT CORNWELL

BERGAMO IS a city on two levels. The lower town, pleasantly leafy and of wide boulevards, of typically North Italian prosperity. lies at the *upper edge of the Lombard* plain, where the hills that lead up into the Alps begin. On the first of those hills there sits the other Bergamo, the *upper town or Citta Alta.*

Of all the beautiful cities of Italy, few are more breathtaking. The upper town is best seen for the first time from *below. as the visitor arrives* from the Po plain on one of those typical days of lazy sunshine. The Citta Alta shimmers suspended, with its skyline of clustered towers, belfries and cupolas. All are protected by massive walls built by the Venetians in the *mid-16th* century, when Bergamo was the maritime republic's frontier against Milan.

From the terraces which surround the old town, the two faces of one of the most intriguing provinces in Italy can be seen. Looking south, there is modern Bergamo stretching away into the rich green plain, Looking north, there are more *hills, the first of them dotted* with elegant villas and castles. but those in the background much taller, divided by the entrances to long pre-Alpine valleys often without outlet.

Today the Citta Alta is a carefully preserved monument to the past, reached most easily by a cable-car from the lower town, to where the city's administrative offices and commerce—with the exception of *the university*—have long since been shifted. Yet its dark narrow streets and hilltop setting *tell as much or more about* the true spirit of Bergamo than the modern city at its feet.

The province of Bergamo is today one of the most industrialised in Italy, in a sense an eastern extension of Milan.

By reputation, Bergamo is one of the most catholic cities in Italy. Pope John XXIII was born in a village 15 km away. It was one of only three large towns to have voted (albeit narrowly) against legalising abortion in the referendum on the issue of May 1981, and *despite* their general election setback of this June, the Christian Democrats still scored comfortably over 40 per cent of the total vote in the city proper.

The *Catholicism* remains, however, a legacy of the times when emigration to northern Europe was considerable, and farming families in the valleys leant heavily on the local church for support. It has a simple, down-to-earth feel to it.

In the last century, however, the importance of agriculture *has much diminished.* In 1981 the poor hillsides behind the old town and the farmlands of the Po plain provided only 12.000 of the total 361,000 jobs in the province, where unemployment at around 5 or 6 per cent is well below the national average. That prosperity is largely accounted for by industry.

The popular image of industry and finance in Bergamo is the figure of Sig Carlo Pesenti, secretive and paternalistic, who after the war built up his Italcementi group into one of the largest financial concerns in Italy. But his importance to the province today can easily be overrated.

Pesenti's importance, however, is national and although *Italcementi's headquarters* is still in Bergamo, and he himself has a house in the Citta Alta, his affairs are centred on Milan, which casts a long *shadow over entrpreneurial* Bergamo. In any case his star is waning, and under the pressure of debts he has been forced to sell off two banks in five years.

A more accurate reflection of modern Bergamo is small and medium-sized industry—metalworking (typified by the *Dalmine* works, *now part of the* state-owned Finsider group), engineering, clothing and textiles.

Curiously, much of the early impulse for industrialisation came from the Swiss. In 1797, after Napoleon had replaced the Venetians as the dominant influence on Bergamo, the *French confiscated the possessions* of the church. The latter retorted by threatening to excommunicate anyone who bought such assets, and the rich *families of Bergamo held back.*

But Swiss interest did step in, and these investments gradually turned into a launching pad for industry, mainly in the textile sector. The names of two of the three biggest textile concerns in Bergamo province, Legler *Honegger,* bear testimony to their Swiss origins. There is still a large Swiss community in the area.

Since thosce times, of course, much has changed. The *movement* of industry out of wartorn Milan in the 1940s was to Bergamo's advantage. More recently the diversified spread of industrial activity has given some protection against the recession—although unavoidable cutbacks in the steel industry are bound to cause problems.

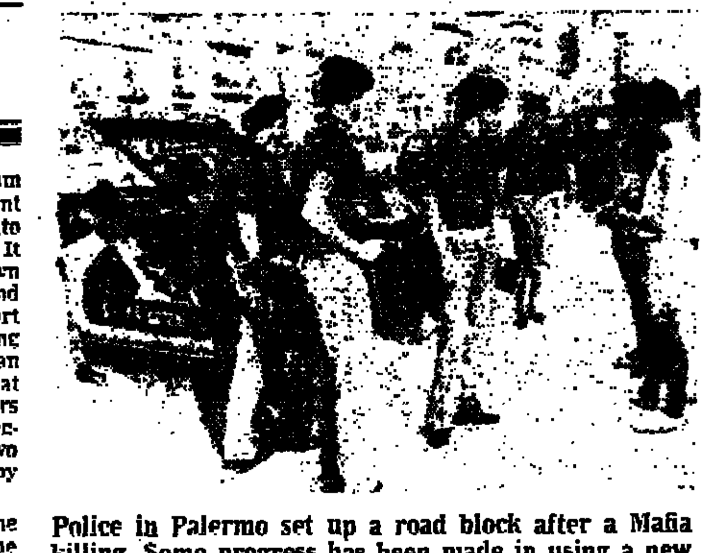
But the city, with its tradition of self-reliance, hard work (and *what other Italians are inclined* to see as introverted dourness) will weather the difficulties. A recent study showed that the town relies less on state handouts than anywhere in Italy.

Many, too, would detect a slight Germanic quality to the place. The local dialect is particularly impenetrable, and especially in the hills and mountains is studded with words name of Bergamo itself comes *from the two German words* "berg" and "hem," meaning mountain and house. And for all the gentle richness of the Po plain, those two words probably *best give the essence of* Bergamo.

Italy's distorting mirror

Sicily

JAMES BUXTON



Police in Palermo set up a road block after a Mafia killing. Some progress has been made in using a new law against suspects.

THERE IS an English ice cream van outside the magnificent temple of Concord at Agrigento on the south coast of Sicily. It still bears the well-known English name Tonibell and sounds the chimes that are part of everyday life on the housing estates of England. Its Sicilian owner, who left Agrigento at the age of 16 and spent 22 years as an ice cream man in England, drove it back to Sicily two summers ago. He is an unhappy man.

"Coming back here was the biggest mistake I ever made," he says. "I had a Tonibell franchise in Buckinghamshire, a fleet of 12 vans and a nice house of my own. Here I've just got one van and I make my own ice cream. It was difficult enough to arrange even that.

"The licence just to put my van here costs L750,000 (£312). Everything requires a permit and it's not like England where the official just says or no—here you have to find the right man, succeed in getting in to see him and then he'll probably say 'maybe.' There are health controls here like there are in England, but there you knew they were being applied fairly. You need a different mentality here and I'm afraid I've lost it after 22 years. My son said to me the other day: 'What the hell did you bring us to a horrible place like this for?'"

Returned emigrants are not always the best guide but this man's story tells much about Agrigento and western Sicily. Superficially Agrigento appears to be booming, with clusters of new high rise flats on the hill where once stood the ancient Greek city. Construction is spreading haphazardly and destructively down through what should be an archaeological park to the sea. Traffic roars on multi-lane highways.

Yet rampant building speculation, which is what it is, only means prosperity for some. For the small man who is not a client of a rich patron, life in Agrigento may be miserable. Every summer, part inefficiency and corruption combine to deprive the city of a reliable water supply—instead water is sold at an exhorbitant price. Other services are poorly run, if they exist at all.

The ice cream man did not say it but what he and other small businessmen in Agrigento are up against is the old southern Italian practice of "clientelismo" which in its more ruthless form means the Mafia.

It is often said that Sicily is a distorting mirror of Italy, that whatever Italy has is to be found in exaggerated form in Sicily. Unfortunately that now seems to be particularly true as far as negative things go. If Italy suffers from weak and inefficient governments, then Sicily, despite have been a region with special powers since 1946, has an even feebler administration.

Regular crises

The regional government *lurches in and out of crisis* with appalling regularity and *the consequence* is that many of the funds which Rome pours into the island remain unused *in the bank* since the Government in Palermo, when there is one, cannot agree on how to spend them and the island's *bureaucrats* are very bad at implementing whatever decisions are made.

In this vacuum real power tends to be wielded by the big men of business. In Western Sicily, including the capital Palermo, they are frequently the leaders of the Mafia, and the organisation is now also active in Catania, the once relatively "clean" city at the eastern end of the island. Where its writ runs, the Mafia decides what factory, dam, irrigation scheme and housing development does or does not get built. It also, as has been increasingly obvious in the past few years, has the power of life and death over most Sicilians.

In the past the Mafia was a form of resistance to foreign rule. By the first part of the 20th century it had become an organisation for the protection of the often absentee landlords of western Sicily. It retarded economic development but maintained order of a kind. But the landlords' power was reduced in the post-war land reforms and the new Mafia drew on the ingrained traditions of its feudal past to become a mainly urban affair.

Even in the late 1960s books were still being produced that painted the Mafia as a more honourable and romantic organisation than it ever deserved. At that time it was predominantly involved in building speculation and other rackets, such as receiving stolen property and illegal gambling, and its tentacles were spreading up Italy. But now the processing and trading of drugs is thought to be the Mafia's most important activity, accounting for half its income which was estimated a year or two ago at about L16,000bn.

The amounts of money involved are now so great that they have triggered off a series of other developments: a fair greater ruthlessness by the Mafia in dealing with those politicians, policemen and magistrates who stand in its way, almost permanent warfare between the different Mafia gangs producing more than 70 murders so far this year and 99 last year, an accelerated pace to the building speculation which has virtually destroyed the beauty of Palermo and other cities, as the Mafiosi rush to invest their gains and faltering efforts of the authorities to do something about it.

For years governments in Rome dared do little effective about the Mafia, lacking the powers that Mussolini had used against it with some success in the 1930s and conditioned by the organisations's political influence. Last year, the Government sent General Carlo Alberto dalla Chiesa, a Carabinieri officer who had played a major part in defeating left-wing terrorism, to Palermo as prefect with a special brief to make inroads on the Mafia.

He was gunned down with his young wife in a horrifying assassination after only four months. Parliament then swiftly passed an anti-Mafia law that had been prepared a decade before, giving the authorities special powers to track down Mafia suspects, including examining their bank accounts, and making membership of the Mafia an offence.

Then last July Sig Rocco Chinnici, the state prosecutor of Palermo who was apparently on the point of naming those responsible for the death of General dalla Chiesa, was blown up in a massive bomb explosion in the centre of Palermo. Sig Emanuele de Francesco, the prefect who had taken over from dalla Chiesa with even greater powers, has become the centre of a political row for his alleged lack of progress against the Mafia.

Progress

Some progress has been made in using the new law against suspects, but the legal bureaucracy that must process the evidence is slow and often (with justification) fearful. Nevertheless the Mafia must be worried as shown not just by the cold-bloodedness of its response to threats to its position but also by the fact that bank deposits in Sicily have dropped by L8,000bn in the past few months, apparently as the suspects get their money out.

The Mafia, well represented *in much of the rest of Italy,* especially the north, is a national issue for Italy. In Sicily it has brought an *ill-gained prosperity to some of the* towns, at the cost, in the western part of the island, of stunting that spontaneous growth of small industry and commerce which has been perhaps the major development of the rest of the Italian economy in the past 20 years. Happily that is not the case in the east of the island where the crowded coastal strip from Messina to Catania is a hive of activity, while Catania itself has a sound economy based on its rich citrus growing hinterland and some industry. Syracuse is also doing well.

But for the most part the productive part of the Sicilian economy presents a depressing picture.

Partly because of the imperative in Rome and Milan to be seen to be "doing something" about the south, Sicily has a fine collection of "cathedrals in the desert"—the vast, capital intensive, heavy industrial plants which do not produce much indirect employment and whose sites are usually chosen on political rather than economic criteria. From the late 1950s onwards when oil was cheap the Sicilian coast became dotted with oil refineries and chemical plants. The plants, largely built for Montedison and ENI, were *mainly concentrated* on the east coast near Augusta and on the south coast at Gela. In both cases, they caused immense pollution which governments for long ignored.

The Italian oil refining industry had its heyday in the 1960s but the subsequent drop in European oil demand, the low technical sophistication of many of the Sicilian plants and their distance from the main European markets told badly against Sicily in the later 1970s.

In consequence much of the Sicilian population, already having a lower income than most of the rest of the country, is drifting deeper into "assistenzialismo"—living off the welfare state, often on unjustified disability pensions. Already at least 20 per cent of the island's income comes from the provision of services by the public administration, against an average for *Italy* as a whole of 13 per cent.

There are some bright spots, though. Heavy spending on roads has given the island a fine infrastructure. Tourism supplies a reasonable income, but is threatened by the remoteness of Sicily and the bad but *justified publicity* about the Mafia. The trans-Mediterranean pipeline, bringing gas from Algeria, passes through the island on its way to northern Italy, and Sicily is entitled to 3.6bn cubic metres of gas a year. But here again the potential is not being lived up to: the *idea is that a network of gas* mains in 46 towns will give Sicily a great boost. But despite the delays in the pipeline coming on-stream the national and local authorities have failed to get more than a skeleton network installed.

But there is better news on another energy front. Oil-fields off the south coast of Sicily have long been small producers, helping the refining industry and the Cicilian economy. Now Montedison is developing what promises to be the biggest oil-field in the Mediterranean, the Vega field, with a flow rate estimated between 60,000 and 80,000 barrels of oil per day.

Although the oil is heavy it is still valuable to Italy which imports almost all its crude, and will be refined in Sicily. The Vega field should come on-stream in 1985, by which time two or three much smaller new oil and gas fields will also be producing. But crude oil alone is not going to change the bad old ways of Sicily.

The Athens of Puglia

NOTHING quite prepares you for Lecce. It is on the way to almost nowhere near the final extremity of the heel of Italy, several hundred miles into the Mezzogiorno, the specially assisted South of Italy.

As you drive southwards to it through the rest of Puglia, which on the whole gives an air of well-being and order which no other region in the Mezzogiorno shares, you cannot help noticing that the villages have fewer and fewer houses of more than one storey and that, while most of the flattish countryside looks well enough with its olive groves and vineyards, there are miserable patches of heath which are already turning brown in May.

Yet Lecce itself not only has a grandeur which few other southern cities begin to match but a grandeur which is now supported by modern prosperity. Its fame is for its gorgeous baroque buildings and decorations, built in a past period of wealth in the 16th and 17th centuries, but they have lasted so well and fit so neatly into the present atmosphere of the city that they might almost have been built yesterday.

Lecce

JAMES BUXTON

Lecce: the Cathedral belltower from the Roman ampitheatre.

"Lecce is very rich and very smart," said a Lecce lady (by marriage) over lunch in the city's best club, a former convent which in size matches anything in St. James's and has superior food. The city has branches of Italy's most fashionable dress shops, the streets are clean and wealth is shown by the fact that the province of Lecce produces more savings than all but four other provinces in the country, with more than 30 banks in Lecce to collect them. *The city has a solid* Christian Democrat majority.

Because of its special background Lecce has an even stronger sense of municipal independence and pride than most Italian cities. It was colonised by the Greeks—there are still *a few villages nearby where* they speak something close to Ancient Greek—and then became a Roman city. Part of a great amphitheatre was excavated in the main square in 1938. Because of its university Lecce has long been called the Athens of Puglia.

Lecce looks a little too elegant to be a market town but it is in *fact* the scene of important tobacco auctions every November, when buyers from the multinational companies *come to purchase the local* production. A lot of money is also made out of early potatoes, which flourish in the red soil of the Salento peninsular and there are fine plantations of olives.

But if you speak to businessmen in Lecce about agriculture, *the recurring theme, apart from* the drought that has hit the Salento peninsula for the third year running, is that it should be better developed. They put the blame partly on distance and partly on lack of enterprise. The province of Lecce is accustomed to being a supplier *of raw materials to other parts* of the country: only a fifth of the hectolitres of wine it produces a year is bottled there.

But it is in industry that the strivings of the people of Lecce to keep up with the centre and north of Italy are most obvious. Early industrialisation was based mainly on large plants funded by the Cassa per il Mezzogiorno (the special aid fund for the South) with scant regard for the potential of the area. The classic case in Lecce is the Fiatallis plant for assembling construction machinery, *which has a payroll of* about 2,500.

Though the siting of the plant was justified partly on the grounds that Lecce is closer than Turin to the important Middle East market, the main function of the factory has been to assemble components made in the Turin area and it has given birth to little spin-off industry. Now, with the collapse of the European and Middle East construction equipment markets *because of the recession, about three-quarters of the* Fiatallis workforce is on state-assisted layoff. There are even those who argue that Lecce would have been better off without the plant.

Fortunately, however, the Lecce area has in the past few *years seen that almost spontaneous* growth of small and medium-sized industry which took place first in the North as a kind of post-war grass roots industrialisation. Apart from the construction industry, the companies are mainly in light engineering or clothing and shoes. *There are said to* be about 1,000 industrial enterprises in the province of Lecce, most of them small.

The most spectacular success story has probably been in shoes, where in a few years Lecce province has come to produce the greater part of the region of Puglia's shoe production.

But the rapid growth of the industry, its dependence on foreign markets and the existence of fair-sized companies make at lease some observers fear that it may be *rather precarious. Now the* shoemakers are having to adapt to the recession which, although hitting Italy later than elsewhere in Europe and Lecce later than the rest of Italy, has now arrived. But as so often in Italy it is not something that stares you in the face.

Udine, in the heart of Friuli, celebrates its 1,000th anniversary this year

Remoteness aids a strong identity

Friuli

JAMES BUXTON

FRIULI OUGHT really to be a region of its own. It fills a horseshoe of the Alps and their foothills at Italy's eastern border and, though superficially, it seems to have much in common with the Veneto to the west it has a strong identity of its own. It has a slight sense of remoteness by being at the extremity of Western Europe, is of a pleasantly manageable size with about 1m people and has, apart from the Slovene minority along the Yugoslav border, a homogenous population.

Among themselves, the Friulians still speak not a dialect but a fully-fledged language, which is a member of the Ladino family, closer to Latin than to Italian — you can even buy *Italian-Friulian dictionaries.* The people of Friuli have a universal reputation for being industrious, honest and staunchly Catholic.

For administrative purposes Friuli is awkwardly yoked with Trieste and the slender corridor linking it with the rest of Italy to form the region of Friuli-Venezia Giulia. The region was formed in 1963 and given special powers in view of its frontier status, its Slovene minority and the tortured history of Trieste after World War II. Apart from the superficial logic of making a bigger and more economic unit for the city of Trieste to rule, the two entities *have little in common.*

It is one of the ironies of modern Italy that, while Trieste is in relative though not uncomfortable decline, its agrarian neighbour Friuli has been transformed from poverty by the post-war economic miracle. The population of Trieste is going down while that of Friuli is rising.

Friuli's natural capital is Udine, now only head of the biggest of Friuli's three provinces. This year it celebrates the 1,000th anniversary of its official founding by the Holy Roman Emperor Otto of Saxony. It is a *delightful* city built around the ancient castle on its hill and has a superb Venetian square complete with loggias and the winged lion surmounting a column which confirms that Udine was for 400 years under Venice's rule.

The most important and tragic event in Friuli's recent history was the earthquake of May 1976. It killed about one thousand people in towns and villages all over the northern and central part of the region, wrecking factories and railway bridges and badly damaging the castle of Udine. Although it would be wrong to call it a blessing in disguise, it ultimately brought to Friuli benefits which it might not otherwise have received.

"There is no doubt that the earthquake accelerated things a lot," *says Sig Eugenio* del Piero, director of the Udine industrialists' association. "It brought in new funds and helped to renew existing industry."

You now have to search quite hard to see signs of the earthquake in Friuli. Occasionally you see ruined houses which have not been repaired, and prefabricated and semi-mobile homes which are evidently still lived in. From the outside, they look reasonably comfortable.

The chief signs of the earthquake now are the complexes of new houses and flats, neat and solidly built in the red brick of the area and blending well with surviving older buildings. For the earthquake eventually—when the relief money came through — triggered a building boom which is now 80 per cent complete but at its peak gave work to 40,000 people in Udine province. Now it employs about 30,000 and the building materials industry that supports it is obviously in decline.

The industries which were hit by the earthquake—notably the Snaidero and Fantoni furniture makers, whose plants were partly destroyed—succeeded in getting back into full production in little more than a year. The Government belatedly activated long overdue construction projects, such as the project—now underway—to double the railway line from Trieste into Austria via Pontebba, whose inadequacy has long been a major brake of Trieste (the old main line to Vienna passes through Yugoslavia).

Still more money is on the way: a package including L1,000bn to be spent over three years on economic development and industry. By no means all of it will go on the earthquake zone—much of it will go to companies in other *parts of Friuli which were* unaffected by the earthquake but which may have been put at a disadvantage because of the financial aid given to those that were affected by it.

As a special region, established seven years before the bulk of the Italian regions, Friuli benefits from specially *cheap government finance for* industry. Up to 70 per cent of funds for investment are available at seven per cent interest, compared with the current prime rate of 19 per cent.

Sucessful formula

Most industry in Friuli is medium or small in size—the same successful formula as in the rest of Italy. There is Pittin the private sector steel makers, Daniel, one of the world's leading makers of mini-steel mills and Solari, the subsidiary of Pirelli which makes electronic clocks and airport information boards. While these are doing reasonably well the furniture making and wood processing industries are in some difficulties due to recession.

This has affected the smaller joiners and woodworkers on which the industry is based. Maniago, a little town at the foot of the mountains which makes almost nothing but cutlery, mainly in domestic workshops, is in difficulties.

So too is the Zanussi company, by far the biggest employer with 30,000 on its payroll in Friuli and the Ventto. Poor financial management, a bad investment in electronics and the maturing of the European washing machine and refrigerator market caused a crisis earlier this year which was corrected by the installation of new management and the promise of fresh *funds.*

Zanussi, a minority of which is owned by the Austrian concern Voest Alpine, is one of the few Friulian concerns with links across the Austrian border: for the most part Friuli's trade is directed towards West Germany and Italy's main markets.

But farming does suffer from the fact that Friuli is a heavily militarised zone. About half the Italian army is stationed there, as well as air force and missile bases, both Italian and American. You see soldiers everywhere, strolling in the towns and driving jeeps and lorries on the roads. Their presence is almost inevitable, *since the most obvious* and easiest way into Italy from the east is vie the gap south of the Guilian Alps near Gorizia, a border town and entrepot which has the Yugoslav border running through it.

The permanent loss of farmland to the military, the damage their exercises sometimes cause and the fact that for strategic reasons it was long thought imprudent to extend the autostrada system into Friuli, are among the reasons *why Friuli* enjoys the benefits of being in a special region. It is, unfortunately, a good battlefield.

Small is beautiful

San Marino

RUPERT CORNWELL

YOU CROSS the frontier on the road leading up from the main highway to Rimini. There is, of course, no customs post, *only* a metal sign above reading "welcome to the ancient land of freedom." More typical perhaps is another hoarding, announcing a *restaurant* and bar just 100 metres further on.

Thus does one enter the Republic of San Marino, apart *from the Vatican the* smallest —and one of the oldest—states in Europe, wedged between the two Italian regions of Emilia Romagna and the Marche and looking down onto the bustling Adriatic coast. It combines naturally with a *landscape of* jagged half wooded hills, as often as not topped by a ruined castle but San Marino is without doubt the most *spectacular, and* its castle the best preserved.

The territory of the tiny republic covers just 61 square km, divided into nine parishes with a total population of 21,000. The largest of them in numerical terms is Serravalle, *with 6,000 inhabitants* but the one everyone knows about is the capital San Marino itself, in its fairyland setting atop Monte Titano.

The road winds up in a series of curves and hairpin bends to the town proper, 2,400 ft above the coastal plain. At a certain point the cars can go no further, and the visitor is left to walk the last stretch to the "Rocca," the first of three fortifications strung across Monte Titano, protected by a spiral of battlements.

The republic of San Marino is one of those historic anomalies that perhaps could only be found in the Italian peninsula. *It* began as a small free community at odds with the late Roman empire, according to legend founded by a refugee from Dalmatia called Marino, who had fled to Monte Titano to escape persecution by the Emperor Diocletian. Somehow it escaped notice during the *collapse of the Roman empire* and the successive barbarian invasions, and its institutions —still largely preserved today—were permitted to *develop comparatively* unhampered.

Several times San Marino was occupied, but always the invader withdrew. In 1300 *came* the *first* communal statutes, and the amended statutes of the 17th century form the kernel of the current constitution. Supreme *authority is in the hands of* two Captains Regent (originally known as consuls) who are nominated by the grand general council of 60 *members for six months* period, and are effective heads of state. The general council, the equivalent of San Marino's parliament, is *elected every five years.* In turn, it chooses a "council of 12" of its members which functions roughly as a cabinet.

Thus San Marino has survived, as an enclave in the heart of Italy, skilfully preserving the status quo, wisely, it turned down an offer from Napoleon in 1879 to enlarge its territory. In 1939, the tiny community gave permanent shape to its relations *with* Italy by signing a convention of friendship and good will. Today, it has a customs union with Rome, and, although it is not a member of the UN, has *diplomatic* relations (mostly consular) relations with some 40 states.

If San Marino's traditions are quaint, its politics are eminently contemporary, and inevitably geared to those of *the country which* surrounds it. Until its own elections on May 29 this year, San Marino had been the only state in Western Europe to be run by a Communist-led government. In fact those elections provoked remarkably little change The two *Socialist* parties of the republic gained 4 per cent, but both the Communists and the Christian Democrats, who had been *fighting hard to* regain power lost in 1978, lost fractional ground.

It all seemed to be a harbinger of the Italian general *election* held a *month* later, but it was not. In Italy, unlike San Marino, the Christian Democrats lost over 5 per cent of their share of the *vote, an earthquake* in domestic political terms.

But the May election was only the last of a series of fierce political battles in San Marino. Last year saw its first ever referendum, on whether to repeal the long-standing *law* whereby women automatically lose their citizenship if they marry a foreigner (ie an Italian) — amid much controversy the *reformists* were *well* beaten. The fear which ultimately prevailed was not for the well being of San Marinese womanhood, but that Italian *citizens might be able* to take undue advantage of the undoubted economic opportunities offered by the republic.

For San Marino is rich, *indeed richer than most of* Italy. Income per head is put at some L7.5m (£3,000). Some of the wealth derives from industry and commerce which has recently taken root there as in the neighbouring regions of Italy. Unemployment is put at 3 per cent *only.* Industry employs 40 per cent of the total workforce and companies and artisan enterprises number 800. Better still, taxes are modest indeed, and the *customs union* offers advantages for the imaginative Italian businessmen.

Too many advantages, Italian officials have been heard to mutter. For the *absence of frontier controls,* and San Marino's own fiscal regulations have, it has been suggested, allowed much scope, for evasion of such nuisances as value-added tax, while the republic's banks remain off limit for Italian magistrates and tax police. Not long ago, moreover, the Rome authorities only just *managed* to prevent San Marino setting up its own gambling casino — of which only four are permitted on Italian soil.

But a greater source of prosperity is surely tourism. On a dull day in Rimini (or Riccione or Cattolica) what better than a brief trip to San Marino? The upper part of the town is little more than an immaculately *kept* tourist bazaar and trade appears to be roaring.

One small final point too: the republic has a closely observed speed limit of 70 kilometres an hour, offenders may be stopped by San Marino's police, who are called the "gendarmeria" but bear close resemblance to Italy's carabinieri. But even the speed limit is not conclusive. For the past two years San Marino has had its own Formula One Grand Prix, contested at the circuit of Imola — albeit 50 miles away in the territory of Italy.

by Lucia van der Post

Photographs by Peter Warner

Drawings by Pauline Rosenthal

● *All the glass photographed here comes from Coleridge, 80 Highgate High Street, Highgate Village, London N6.*

Left, from left to right: heavy milky white bowl, 11 in high by William Walker Glass Studio, Dorset, £18.75; small blue-grey beaker designed by Charlie Meaker and Arlon Bayliss for the Strawberry Farm Glass Studio, Jersey, £14.90; clear fruit bowl with a pale pink and yellow swirling pattern, made by Keith Leadbetter for Jerpoint Glass Studio, Eire, £17.95; black-rimmed clear glass tumbler by Pauline Solven for Cowdy Glass Workshop, £5.95; blue bowl with red rim from Lindean Mill Glass, £31.95.

Right, from left to right: small wine glass by Jerpoint glass, £8.60; pink goblet with blue rim by Lindean Mill, £12.75; tall hock glass, clear bowl, pale blue stem, £16.95; clear wine glass, £12.95 by Lindean Mill; exquisite rainbow coloured stem, clear bowl, £31, from Cowdy Glass workshop; clear wine glass by Jerpoint, £10.65.

WELL-DRESSED TABLES

FEW OF us, when we need to buy everyday drinking glasses, think in terms of studio glass. We tend to think that hand-made studio glass is a rather rarified taste, all right for a very special present or for those rich enough to be able to afford it but certainly not the stuff that everyday tables are laid with. However, a recent look at the work that is coming out of the many small studio workshops all over the country has surprised and delighted me —not just because of the sheer beauty of the shapes and colours but also because of the reasonable prices.

If you are the sort of person who normally buys glasses by big-names like Lalique, Waterford or Baccarat, you will find that original handmade glass of the sort photographed here can be had for a fraction of those prices. If Dartington or Ravenhead is your usual buy, then studio glass is a bit more expensive than that. But, once you have held a hand-made quality drinking glass in your hand, felt the weight of it, drunk out of it, seen what a delight it is to look at and to use, factory-made glass will, I promise you, never seem the same again.

The glasses photographed here come from a wide variety of small studio workshops. Most of them seem to consist of three people or less, very often husband and wife teams have set up a small workshop together and nearly always the glass is made by the person who actually designed it. Some studios offer batch-production—that is, they will make bigger quantities of the same design but because each piece is made by hand no two pieces will be identical.

Adam Aaronson, who runs one of the best glass shops I know of—Coleridge at 80 Highgate High Street, Highgate Village, London N6—feels very strongly that people have been too easily persuaded that they should buy everything in matching sets. As he points out, it is good marketing techniques by large organisations that have persuaded us that everything should match—in fact, it is much more interesting to buy glasses that are different but work well together. So often in a range of glasses, the manufacturer starts off with one good glass and then sizes the same design up or down for different wines and the proportions seldom work in the other sizes.

Most of the glass photographed, above, is plain, some have exquisitely delicate rainbow-coloured stems or a touch of colour at the rim while, one of my favourites is a pale mottled dusky-pink glass with a dark-blue rim. The choice is vast. Wine experts on the whole seem to prefer clear glass so that they can see the colour of the wines.

Many of the studios listed welcome visitors—and certainly anybody who has not seen glass made will find it a fascinating sight — but as the workshops are usually so small check with the individual studio before visiting.

For those who do not live near enough to Highgate to visit Coleridge's it is worth knowing that the Crafts' Council of 12, Waterloo Place, London SW1 publishes a leaflet that lists shops and galleries up and down the country that supply products of quality and it is in those shops that readers are most likely to find studio glass. Just send a stamped addressed envelope to Information, Crafts' Council asking for the list.

Just as few of us think in terms of hand-made glass so few of us ever buy hand-painted ceramics. A new trio of designers, three young girls by the names of Gail Fox, Amanda Campbell-Gold and Sarah Grosse, have got together and started their own small company.

To begin with they started with just one stall on one day a week at Covent Garden but since they exhibited at this year's Birmingham International Spring Fair retailers have been clamouring to sell their wares and they now find themselves exporting to Germany, Holland and even Japan.

The girls take white earthenware and then hand-decorate the pieces with enamel transfers which they design themselves and have made specially for them. The earthenware is then re-fired in their own studio so that they are completely dishwasherproof.

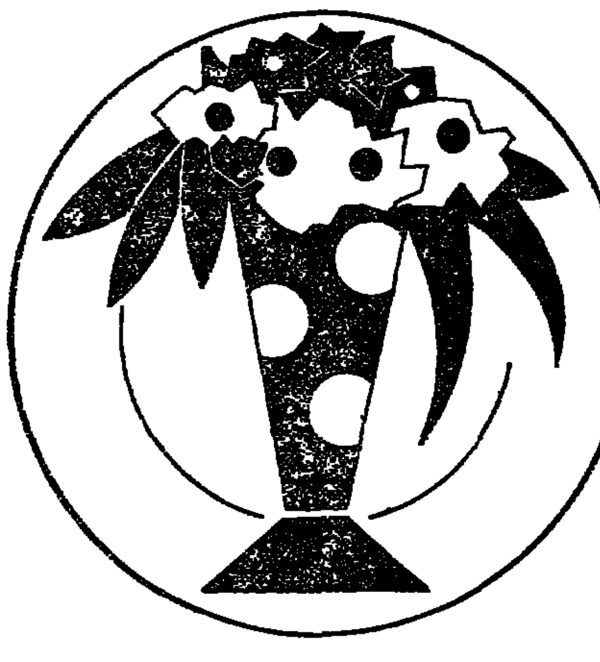
At the moment there are dinner sets in four designs—Dash, Festival, Flowers (see the cup and saucer of this design sketched below) and Bunting. There are also teacups and saucers, breakfast cups and saucers and teapots, cream jugs, sugar bowls and soup bowls.

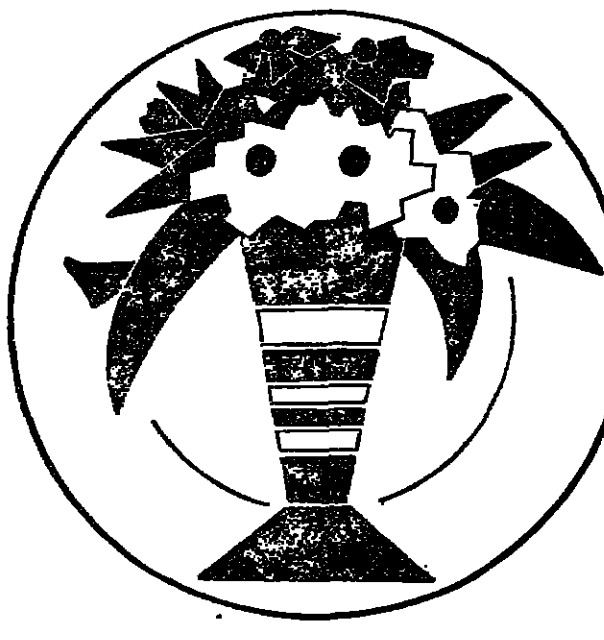
The designs are, to my mind, very fresh and very pretty and the prices are astonishingly reasonable — £3.60 for a teacup and saucer, £4.80 for a large plate, £9 for a large teapot.

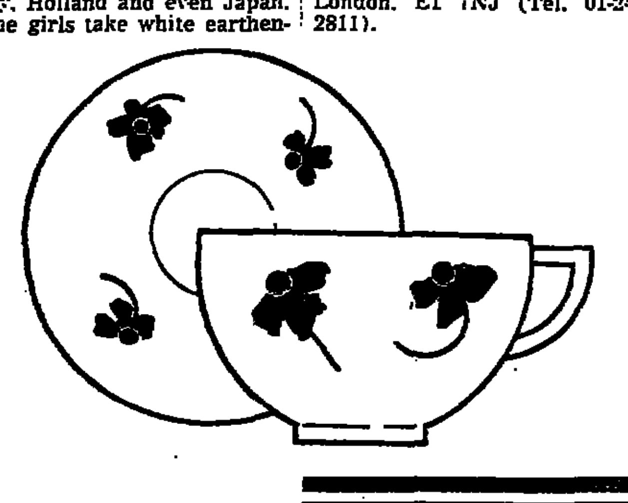
There is also a line of mugs in 12 different patterns but the designs I like most of all are the Bouquet plates, three of which are sketched here. They answers perfectly that search for something with a special one-off look about it and all the plates are different yet have a strong linking theme so that any number of them can be used together. At £14 each these are not so inexpensive but they do have a very strong look to them and one or two on a wall or dresser would look stunning.

Strangeways shops always stock a selection of Fox, Grosse and Gold tableware. Harvey Nichols of Knightsbridge, London SW1 has three of the dinner set designs (Dash, Flowers and Festival) and many other gift shops up and down the country sell at least some of the range.

In addition it is worth knowing that they are always prepared to hand-paint special designs, patterns or messages on plates or mugs to mark a special anniversary or make a unique present. Contact Fox, Grosse and Gold at Unit 207, 16, Brune Street, Spitalfields, London, E1 7NJ (Tel. 01-247 2811).







CHESS

LEONARD BARDEN

NOW IN its sixth year, Manchester's Benedictine international has an almost unique distinction of combining a chess tournament with a gourmet's paradise. The cuisine at Allen Hall in Manchester University coupled with generous supplies of the sponsor's liquor have attracted a steadily more cosmopolitan entry. This year's 50 competitors included seven grandmasters and a dozen international masters.

Until the closing rounds it looked as if Yuri Razuvaev, the first Soviet player ever in Manchester, would follow up his earlier victory at Lloyds Bank. He took the lead, maintained it by confident play, but was unexpectedly caught at the finish by the young British experts who had trailed earlier. Razuvaev lost in the penultimate round to Mark Hebden, who once again used his favourite "Grand Prix Attack" 1 P-K4, P-QB4; 2 P-KB4 against the Sicilian Defence; then in the final round Jim Plaskett, at one time apparently out of contention with only two out of four, came from nowhere to defeat Gutman and win the tournament.

Plaskett's Benedictine triumph was also his second grandmaster norm following an earlier success in Paris. Under FIDE rules his third and final GM norm must be achieved in an all-play-all tournament, so hopefully Hastings, where he competed last year, will give him another opportunity.

Final leading scores at the Benedictine were Plaskett (England) 7 out of 9, Gutman (Israel), Razuvaev (USSR), Hebden (England) and Tarjan (U.S.) 6½, Kudrin and Tisdall (U.S.) and Ciric (Yugoslavia) 6. The also-rans on five points included two more grandmasters, Ivkov and Bilek, together with Nigel Short who was disappointingly out of form.

In the final round Plaskett had to win with the black pieces, a difficult task at any time and the more so since his opponent Gutman only needed a draw for first prize and his own GM norm.

White: L. Gutman (Israel)
Black: H. J. Plaskett (England)
Reti Opening:
(Manchester Benedictine 1983)

1 N-KB3, N-KB3; 2 P-KN3, P-QN4.

Plaskett, in common with several younger British experts, likes this early bid for initiative. His successful game against grandmaster Ivkov in an earlier round began 1 N-KB3, N-KB3; 2 P-B4, P-K3; 3 P-KN3, P-QR3; 4 B-N2, P-QN4.

3 B-N2, B-N2; 4 P-B3.

This and White's next few moves attempt to refute Black's strategy by early threats to the advanced pawns; but the idea fails. A better approach is to ignore Black's pawn thrust and play on the other flank by P-Q3, P-K4, QN-Q2, N-R4 or K1, and P-KB4.

4 . . . P-B4; 5 P-Q3, P-K3; 6 Q-N3, P-QR3; 7 P-QR4, P-N5; 8 PxP, PxP; 9 P-R5?

Now an outright blunder; 9 Castles is essential.

9 . . . N-B3; 10 Q-R4, N-Q5! 11 P-K4, Q-B1!

Gaining material. White is already lost, but with the GM norm beckoning, he fights back inventively.

12 B-N5, N-B7 ch; 13 K-K2, NxR; 14 R-QB1, B-B3; 15 QxN, Q-N2; 16 QN-Q2, B-N4 (simpler is B-K2); 17 N-Q4, P-R3; 18 BxN, PxB; 19 B-B3, P-K4; 20 NxB, QxN; 21 B-R5, B-B4; 22 R-B4, P-N6; 23 Q-QB1, B-Q5; 24 N-B3, QxP; 25 N-R4.

White is poised for N-B5-Q6 ch with a winning attack, but Black has prepared another counter-coup.

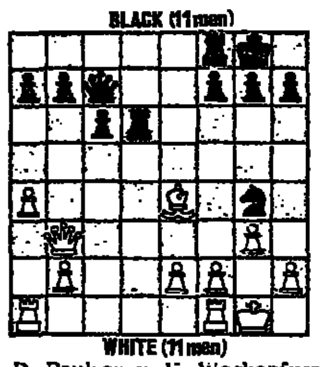
25 . . . BxNP!

Returning material so as to create a winning passed pawn. White must take, for 26 R-B8 ch, RxR; 27 QxR ch is defeated by 27 . . . Q-Q1.

26 QxB, R-QN1! 27 K-B3, Q-R7; 28 Q-B3, O-O; 29 N-B5, P-N7; 30 BxPch (a last trap), RxB; 31 R-B8 ch, RxR; 32 QxR ch, K-R2; 33 NxP, R-N2! (not KxN? 34 Q-R8 ch and draws); 34 N-N4, Q-K3; 35 White resigns.

POSITION No. 483

BLACK (11 men)

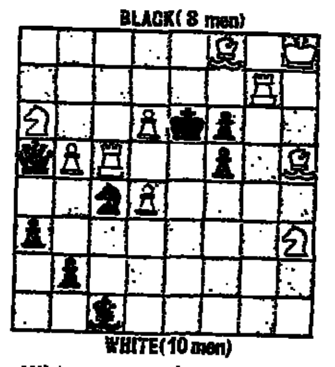


WHITE (11 men)

D. Paulsen v. K. Wockenfuss, Berlin championship final 1983. The spectators expected a draw, but White (to move) decided he ought to try for more with bishop against knight. So he played 1 QR-Q1, KR-Q1; 2 RxR, RxR; 3 R-Q1, aiming to simplify further into the endgame. What did White miss?

PROBLEM No. 483

BLACK (8 men)



WHITE (10 men)

White mates in two moves, against any defence (by Savtchenko, 1950). A problem for champions; it was part of this month's world solving title contest in Israel. Britain's team, sponsored by Lloyds Bank, finished fifth behind the winners Finland.

Solutions Page 12

BRIDGE

E. P. C. COTTER

HUGH KELSEY has recently produced Test Your Percentages (Gollancz, £2.95), which will prove of great value to those who know little about this subject. "A working knowledge of percentages," says the author, "is essential for anyone who wants to improve his card play. You do not need to be a senior wrangler to play well, for the practical player commits to memory only the simplest of figures." In this Quiz, however, Hugh Kelsey covers a wider range to test your knowledge more thoroughly. Look first at this no trump contract:

W	N	E
	♠ 3	
	♥ A 5	
	♦ 8 6 5 4 3	
	♣ A J 9 7 4	
♠ K 9 7 4 2		♠ J 8 6 5
♥ J 6 3		♥ Q 10 9 7 4
♦ 10 9 7		♦ A J
♣ 8 3		♣ K 2
	S	
	♠ A Q 10	
	♥ K 8 2	
	♦ K Q 2	
	♣ Q 10 6 5	

South deals and bids one club, North raises to three clubs, and South rebids three no trumps. West leads the spade four, and you win East's Knave with your Queen. How do you propose to play?

A successful club finesse gives you nine tricks, but to try that finesse at trick one is wrong—if East wins, a spade return will hold you to eight tricks. You could play the diamond King from hand. If West wins, he cannot continue spades with advantage, and you have time to play on clubs. If East has the Ace, you have to rely on the club finesse. This is about a 76 per cent chance.

It is better to lead diamonds from the table. Cross to dummy's club Ace—a heart would be dangerous — and return a diamond. If West wins, your contract is safe: whether East wins or ducks you are home provided that the suit breaks 3-2, for you will score four tricks in one minor suit and one in the other to add to your four winners in the majors. With the additional 12½ per cent for the chance of dropping a singleton King of clubs, the odds for this line are about 86 per cent.

We turn to a grand slam:

W	N	E
	♠ 9 8 3	
	♥ K 5	
	♦ K 6 2	
	♣ A Q 8 5 3	
♠ 10 2		♠ J 6 5
♥ J 9 7 6 4		♥ 8 3
♦ 9 3		♦ J 10 8 4
♣ J 10 9 4		♣ K 7 6 2
	S	
	♠ A K Q 7 4	
	♥ A Q 10 2	
	♦ A Q 7 5	
	♣ —	

South dealt at a love score and bid two clubs, to which North gave the positive response of two no trumps. South rebid three spades, and North said four clubs. After four diamonds from South and four hearts from North, South said five hearts. North cue-bid his diamond King, and South jumped to seven spades.

West leads the club Knave, you try dummy's Queen, East covers, and you ruff. You cash two spades, both opponents following twice. You could try to ruff a heart in dummy, but for this to succeed you need a 4-3 break, or in the 5-2 dis you must find the defender who has the doubleton without the last trump—about 70 per cent.

It is better to draw the last trump. You make the slam when diamonds break 3-3, when the heart Knave drops, or when there is a heart-diamond or a heart-club squeeze. This is about an 80 per cent chance.

Cash Ace, Queen, King of diamonds. Ruff a club, cross to the heart King, and cash the Ace of clubs, discarding your diamond if it is not a winner. West is squeezed on the third round of diamonds, and must allow you to make either the club eight, or the heart ten.

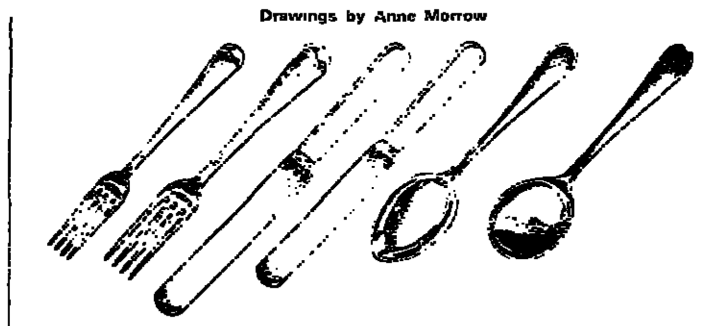
MIX AND MATCH

FITZ & FLOYD, an American company making porcelain of mainly Japanese design, is one of the few manufacturers that has explored the idea of making tableware that can be mixed and matched in a variety of different ways.

One of their very newest ranges is the Les Tuilleries pattern sketched below—of exceedingly pretty and delicate design. The customer can choose between a complete set in the same design or can put the floral small hexagonal plate beside a plain pink large hexagonal plate (the pink, needless to say, exactly matches the pink in the patterned version).

There is a range of other plain and patterned options, all of which work well together and all of which allow the customer to build up a collection of porcelain that never looks like a regulation "set." Fitz & Floyd is at the top end of the porcelain market and prices are not cheap—for instance a soup bowl is £10.95, a side plate £5.95 and a large bowl, £25.50. Harvey Nichols of Knightsbridge has one of the biggest selections in the country but it is also stocked in other good quality china departments.

Drawings by Anne Morrow



NOW THAT the prices of fine old sterling silver have reached stratospheric levels most of us either have to inherit or look around for less expensive alternatives. Christopher Strangeways shops have for some time been expanding their range of goods to take in more than just the jokey ceramics and light fittings they started with. They were so impressed with the quality and style of this set of 8/8 Sheffield stainless steel cutlery and its fine pale ivory coloured ABS heat-proof handles that they will be adding ~~44~~-piece canteens to their stock.

The pattern goes by the name of Ashbourne, it is lean and elegant of line and in the ~~44~~-piece canteen come six dessert spoons, six teaspoons, six dessert forks, six table forks, six dessert knives, six table knives and two serving spoons. Presented in a dark blue box, all this costs £124.75. For the moment it is only available by mail order from Christopher Strangeways, 3 Holland Street, London, W8. Be prepared for four-five weeks' waiting.

A Renaissance Man

The BBC is mad about anniversaries, and has no old-fashioned prejudices in favour of centuries or half-centuries. Last week we celebrated the 60th anniversary of the Radio Times, also (though I seem to have missed it) of the birth of schools broadcasting. Schools broadcasting definitely comes of age this term, with midnight programmes from half past 12 to quarter past one. If you haven't the means to record them, you can get cassettes. What's on them? Why, astronomy, using your computer, microtechnology and the rest of the usual school routines.

This week, climbing a rung or two up the social ladder, we have the centenary of the birth of Lord Berners, which Ronald Crichton has already written about. Would that all centenarists were as entertaining as he! The world needs more such neo-Renaissance-Man eccentrics: he not only amused his guests with dyed pigeons, great bowls of coloured water with a goldfish swimming in them, and 100-ft towers in his grounds, but composed, painted and wrote to a professional standard, no less professional for its frivolity.

RADIO

B. A. YOUNG

I enjoyed his opera Le Carrosse du Saint-Sacrement, which followed the biographical sketch on Radio 3 on Sunday afternoon, and, if I'm not invading Clement Crisp's territory this time, I can record that I fell about laughing as I heard the setting of Gertrude Stein's words in the ballet-music of *Wedding Bouquet*, wittily spoken by Robert Grange, in the solo narrative version. We don't get many laughs in This Week's Composer; it makes a change from the solemnities of *Tuesday Call* or *What Price Compensation* (which I shall turn to in a minute).

Willl Sir Peter Parker get a centenary programme one day? He came out entertainingly in his interview on Radio 4 on Monday; but the great names of British railways, Brunel, Churchward, Gresley, Maunsell, Stanier, have all been engineers. The directors just get their names on locomotives. Unhappy Sir Peter, the last steam engine was built for British Rail in 1960 and he didn't go to them until 1976; and who cares who builds diesels?

Sir Peter, whom I met once or twice at the Young Vic, is a jolly chap, and John Hosken, the BBC's Transport Correspondent, who interviewed him, is clearly an old buddy, so their conversation was all as light as Montgolfier's balloon. They talked about Sir Peter's family, education, hobbies, future, etc, but not about why the HSTs on the Western Region seem so often to be late. Sir Peter's gold pass was made in Hong Kong. I hope this is among the sundry things he has put right.

On Sunday afternoon, Radio 4 gave us the first of a new series, *Talk of the Town, Talk of the Country*. I hoped this would be about dialect, but it was only a sort of down-your-way piece. As it was set in the Gower Peninsula, the theme was Welsh versus English, this being an area where there may be a linguistic barrier between neighbouring villages. (I can't tell you the names of the villages that Stanley Ellis chose; they're not on my map, and I wouldn't care to guess at Welsh orthography.)

Then on Monday, Radio 3 gave us Roy Fuller on *Rhyming Slang*, and I hoped this would be about dialect too, and again it wasn't. It wasn't about rhyming slang either. It was an interesting talk about the new edition of Eric Partridge's *Dictionary of Slang*. I thought it was rather snooty about slang. "Slang is dead in poetry," Mr Fuller quoted from Donald Davie. Myself, I'm a Philip Larkin man rather than a Roy Fuller man; but the restrained and the unconventional needn't be at odds any more than the villagers of the Gower Peninsula.

What Price Compensation? (Radio 4 on Wednesday and repeated on Thursday) told a sad story of a north-country family that was trapped in a cheap Pigalle hotel when it caught fire. Sound effects made the fire more terrifying but the programme less convincing. Were these really the actual participants, I found myself thinking, or is it all made up in the studio? More seriously, what lesson is imparted? The family has spent £4,000 in seven years' fighting in the French courts, and have no certainty of compensation. The case is pursued with Winslow Boy tenacity that is admirable; but are we simply to deduce that we must never stay in cheap French hotels?

Michael Coveney reviews Sir Peter Hall's day-by-day account of the launch of the National Theatre

Diary of a somebody

Sir Peter Hall began keeping a diary in March 1972, when asked to take the National Theatre into its new home on the South Bank. He dictated into a tape recorder each morning between 6 and 6.30, closing the account in January 1980. More than 1m words were dutifully typed up by two members of NT staff.

The idea was, as Hall says in a foreword, that of a daily confessional to himself with the vague prospect of a book forged from the material in future years. But his friend and colleague, NT press officer John Goodwin, heard about them and asked to have a look. He persuaded Hall that, edited down, they might make valuable and interesting reading sooner rather than later. And so it undoubtedly proves. A sixth of the original material remains. Like all good diaries, it is compulsively readable. In registering the struggle to open the new National at the worst possible time—during the economic recession and political and industrial uncertainty of the early and mid 1970s—it amounts to a fascinating document of theatrical intrigue, personal despair and sheer dogged determination in the face of general loss of nerve throughout the country.

As early as 1962 Peter Hall had been dubbed "ruthless and power-loving" in a Nova magazine profile. In the past 10 years he has become the cultural overlord the rest of the theatre world and some of the media have loved to hate. Regarded with suspicion by many, with devotion by a few, he has nonetheless realised a dream hatched more than 150 years ago and set up a National Theatre in its own home. As he ruefully remarks, it had always been the radicals who agitated for a National Theatre. As soon as it arrived, the radicals didn't want to know.

Hall was born in 1930 of working class parents in Bury St Edmunds. His father was a station-master. After Cambridge University, where he was influenced by the lectures of F. R. Leavis and the Marlowe Theatre productions of George Rylands, he went to the Arts Theatre in London to direct British premières of Goldoni, Ionesco, Anouilh and, most significantly, Beckett. At Stratford-upon-Avon he succeeded Anthony Quayle as director of the Memorial Theatre in 1959 and, in the following year, founded the Royal Shakespeare Company.

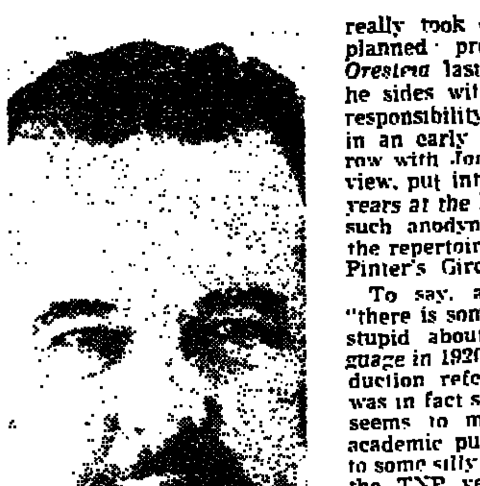
In the face, ironically, of fierce opposition from the National Theatre lobby, he made it conditional to his tenure that the RSC should also operate out of a London base, the Aldwych. He created a marvellous ensemble, with artists on three-year contracts performing in both Shakespeare and contemporary plays.

It is not sufficiently appreciated that Hall thus single-handedly led the British theatre and the Arts Council into the full flowering of the subsidised era. Without public funding, we would have no British theatre to speak of today, very little of any worth in televised drama, and even less of a film industry. He has, in short, been the key post-war figure in the performing arts. A peculiar mixture of driving ambition to create the best conditions for his own work, allied to considerable gifts as an impresario and administrator, mark him out as that rare beast, creative artist *and* man of action.

The complications of this role come through again and again in the diaries. He loves the scent of battle but is exhausted by the effort. He creates an idyllic country home in Wallingford which he never has time to enjoy. He is confident and ruthless in board meetings, yet subject to violent fits of melancholy and paranoia in the small hours. He relishes the perks of Establishment-crashing — breakfast with Lord Goodman, parties at the Palace, flights on Concorde —yet hates himself afterwards for accepting membership.

The new National and the Barbican were the inevitable apotheosis of the post-war cultural building programme. For better or worse, we are saddled with them. The enormous problems of opening the National, its soured history of industrial relations, the wild-cat strikes and the ugly scenes on the picket line during the winter of discontent in 1979, form a fascinating main theme.

The great achievement of John Goodwin's editing is to run this story in parallel narrative progression with many others. There is the proposed merger of the RSC and NT when Hall and Trevor Nunn realise the enormity of their respective tasks. There is the subtext of Hall's troubled personal life—he has been married three times: to actress Leslie Caron; to his secretary Jacky; and now to the operatic mezzo soprano Maria Ewing—and his undisguised joy in the academic and artistic development of his children.



Sir Peter Hall

There is the occasional pleasure of escape to Glyndebourne (where he has directed eight operas since 1970) and lashings of white wine with Moran Caplat and his family. There are the regular breast-beating debates with his close friend and protege, Trevor Nunn, and with Peter Brook (the trio still harbour a fantasy of working together in a small building with a small ensemble). There are the signs of physical strain: insomnia, nervous collapse and a severe optic malaise among them.

The book is also a fund of superb Ralph Richardson stories: in a Brighton hotel foyer, Richardson enacts at 2.15 in the morning how, years earlier, he had stormed down to complain to the manageress about the breakfast bacon only to walk straight into the funeral of her husband. Harold Pinter, another close friend, is deposited in a taxi after baby-sitting for Hall in company with a brandy bottle: descending with studied dignity to the cab floor, he looks around and enquires: "What's wrong with this bleeding taxi?"

As a director, Hall became increasingly obsessed with full texts and rather pernickety notions of classicism during this period. His own work at the National never, in my view, really took off until his long-planned production of *The Oresteia* last year. One senses he sides with Pinter's view of responsibility to dead dramatists in an early associate directors' row with Jonathan Miller. This view, put into practice over the years at the NT, has resulted in such anodyne revivals now in the repertoire as *The Fawn* and Pinter's Giraudoux debacle.

To say, as Hall does, that "there is something pathetically stupid about Renaissance language in 1920s Vienna" (the production referred to, by Miller, was in fact set in 1930s Vienna) seems to me ludicrous. His academic puritanism leads him to some silly pronouncements on the TNP versions of *Tartuffe* and *La Dispute* which visited the National before money ran out for foreign and regional companies. But he is spot on with the pretentious avant-gardist Robert Wilson and lively about Marvin Hamlisch (*A Chorus Line* is "bullshit, reeking of double Broadway standards"—I presume the same composer's *Jean Seberg*, currently in rehearsal under Hall at the National, is the real thing), Howard Brenton and Ken Campbell.

During the weeks of the big strike, Hall finds that "my heart is no longer in this shit-heap" and, at the election, votes Tory for the first time. Yet he bounces back: he has just signed a new five-year contract. It is difficult to see who else in the British theatre would have had the courage and tenacity to get the place open in 1967 with his famous "foot-in-the-door" tactics, even more difficult to see who could rightfully claim the succession.

The National has had a disappointing year and continues to be unthrifty in its deployment of actors. The structure is unwieldy, programming of productions a continuously difficult exercise in logistics. But it will not go away and it can only ever be as good as the calibre of people prepared to throw in their lot with Peter Hall.

In his last entry he declares: "We have reached the end of the beginning of the new building." In five years' time, will we still be niggling and questioning its function and policy? If we are not, Sir Peter might justifiably conclude, the place will be as dead as a dodo, or at least the Comédie Française.

Peter Hall's Diaries, edited by John Goodwin. Hamish Hamilton, £12.95. 507 pages.

Them and us

One of the great romances the cinema has never given up, even in these egalitarian times, is with class and its contrasts. Rich and poor, toff and commoner, high-society and streetwise: these ding-dong opposites go on and on right into the present decade because conflict — even conflict of income, accent or social background — is the continuing stuff of drama.

A fistful of seemingly diverse videotapes that clattered on to my doormat recently — *All About Eve* (CBS/Fox), *In Which We Serve* (Rank), *The Nights of Cabiria* (EMI), *The Glass House* (CBS/Fox) and *Movie 3* (Catalyst) — proves the point. All are obsessed with class and its potential for colourful extremes and the two most rabid examples span no less than 40 years.

Noel Coward and David Lean's imperishable *In Which We Serve* (1942) is the stiff-upper-lipped grandaddy of them all. Dame Celia Molestrangler and Binky Huckerback of *Round The Horne* learned their throttled raptures — "Oh Charles," "Oh Cynthia"—from those of Celia Johnson and Coward in this film, as they gaze through the bay windows at the approaching World War 2 storm-clouds. Celia: "Is there going to be a war, d'you think?" Noel: "Yes, I think there is." And they reach tremblingly for another Cointreau.

VIDEO

NIGEL ANDREWS

But of course the movie also has a common-man Tweedledum to these upper-crust Tweedledees: namely Bernard Miles eating bacon and eggs with his missus (Joyce Carey) on sailing day as the up-from-the-ranks chief gunner.

The lovable commoner, *mirabile dictu*, is still with us in 1983. Bob Hoskins is our master of ceremonies in *Movie 3* your quarterly guide-book-on-video to the new video releases. Hoskins's charm is his barrow-boy voice and his no-nonsense, karate-chop vernacular. Yilmaz Guney's *Yol*, for instance, or "yowl" as Hoskins prefers to pronounce it, is described with simple eloquence as "a film made by remote control because its author was banged up in the nick."

Never make the error of believing that class is a uniquely British phenomenon. You need only take a butchers, as Hoskins would say, at *All About Eve*, where Bette Davis and George Sanders ooze cultural disdain from every pore. If this is not the wittiest film ever made by Hollywood about showbiz, please lead me to the one that is. Davis and Sanders sizzle and scintillate. But if you think writer-director Joseph Mankiewicz ends up approving of these patrician poison-spitters — the grande dame actress on the skids and the feline theatre critic—then look at Thelma Ritter in the commoner's role of Davis's maid-cum-dresser. With a few homely-piercing put-downs she quickly establishes herself as the most lucid, undeceived person in the whole film.

The difference between British and American notions of class, of course, is that the latter do not rest on social background or family pedigree. Just money or fame will do. Or education. In *The Glass House*, a routine to imbecilic TV-made prison drama, class antagonism is written through the story like Bognor through a stick of rock.

Alan Alda is the college teacher jailed for a *crime passionel* and immediately nicknamed "Professor" by his prison-mates. (In American crime or underworld movies, you have only to be able to read the alphabet to be nicknamed Professor). Vic Morrow is the street-smart prison heavy with grizzly-bear eyebrows irked by Alda's cultured conversation. Result: violence, mayhem and a predictably deafening climax.

Far more durable and bewitching is Fellini's classic *The Nights of Cabiria* . . . but wait, what have we here? Transatlantic dialogue? "Take it easy, Signorina," are the first words to smite our eardrums. We slowly realise that this is Fellini's Italian masterpiece eccentrically re-voiced by EMI to make it seem an Arthur Miller melodrama set in Brooklyn. "He just pushed ya in, Cabiria," cries a local to the river-dunked heroine, "He just pushed ya in." And so the loony voices go on, vandalising the film beyond recognition and into something like hilarity.

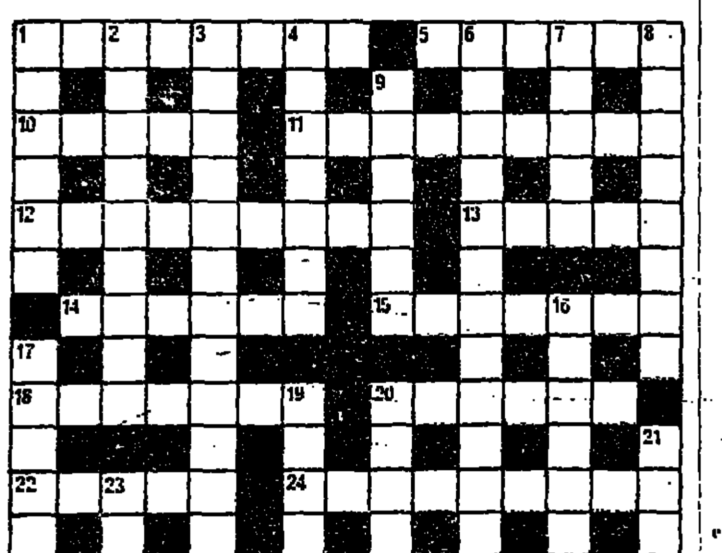
Of course what I would have said about *Cabiria*, if I could have heard it properly, is that it shows contrasts of class working full-out in a European context. To wit, the holy waif as proletarian Blessed Virgin (Giulietta Masina in title role) and the down-and-outs of society waving brave firsts at the up-and-ins. EMI, please can we now have a video version in recognisable Italian?

F.T. CROSSWORD PUZZLE No. 5,225

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



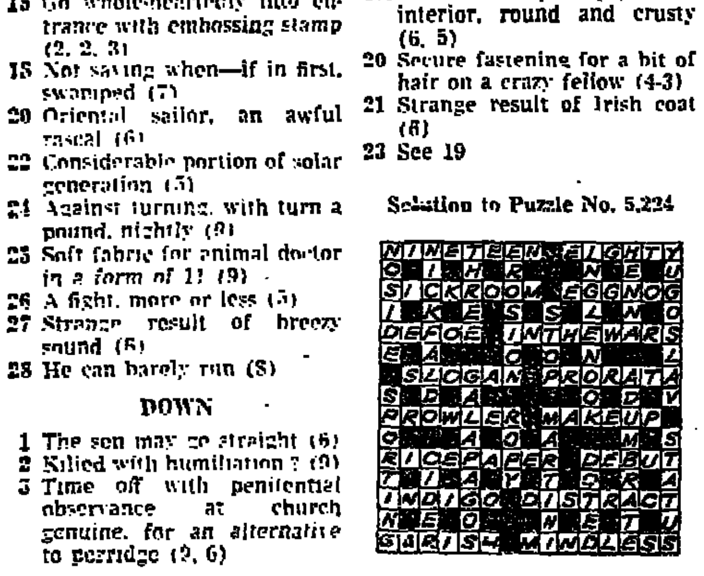
ACROSS

1 One who stays in the nest? (4, 4)
5 Escape by the stairs? (6)
10 Assistant to doctor Foster? (5)
11 House of Peers refrain, thanks to fanatical speech by painter (9)
12 Complaint kicked up at very large profit made exhibits schoolboy humour (5-4)
13 Jumping on board, perhaps, in lethal manner (5)
14 Monitor, maybe, of the Cornish coast (6)
15 Go whole-heartedly into entrance with embossing stamp (2, 2, 3)
18 Not saying when—if in first, swamped (7)
20 Oriental sailor, an awful rascal (6)
22 Considerable portion of solar generation (5)
24 Against turning, with turn a pound, nightly (9)
25 Soft fabric for animal doctor in a form of 1! (9)
26 A fight, more or less (5)
27 Strange result of breezy sound (6)
28 He can barely run (8)

DOWN

1 The son may go straight (6)
2 Killed with humiliation? (8)
3 Time off with penitential observance at church genuine, for an alternative to porridge (9, 6)
4 Doctor more often, perhaps, coming up in Notts (7)
6 Food for an ass—clue enough? (8, 7)
7 Galahad's religious aim (initial letters) (5)
8 Afternoon refreshments, toastable when combined (3-5)
9 Expert's resting-place investigated (6)
16 In car smash, in hospital: this will empty the system (5, 4)
17 Garment of wool done to eyes? (8)
19, 23 Funnies, perhaps, round interior, round and crusty (6, 5)
20 Secure fastening for a bit of hair on a crazy fellow (4-3)
21 Strange result of Irish coat (6)
23 See 19

Solution to Puzzle No. 5,224



BBC 1

† Black and white programmes
6.25 am-7.40 Open University.
†8.55 Leon Errol in Spooky Wooky.
9.15 The Get Set Picture Show.
†11.00 Saturday Morning Film: "The Black Cat" (1941).
12.12 pm Weather.
12.15 Grandstand, including: 12.45 News; Football Focus (12.20); Boxing — Neville Meade v David Pearce (12.50); Rallycross (1.10, 2.10). The Sphere Drake Insurance International Rallycross; Championship Darts (1.30, 3.55), The Unipart British Championship; Racing from Ascot (1.50, 2.25, 2.55, 3.30); Crown Green Bowls (2.45, 3.15, 3.55), The Embassy Championship; 4.35 Final Score.
5.10 The Dukes of Hazzard.
6.00 News; Weather.
6.10 (See regional).
6.15 The Noel Edmonds Late Late Breakfast Show.
7.05 Blankety Blank.
7.35 Juliet Bravo.
8.25 Three of a Kind.
8.55 News and Sport; Weather.
9.10 Remington Steele.
10.00 Match of the Day.
10.50 Saturday Late Film: "Shaft's Big Score" (1972), starring Richard Roundtree
12.30 am-12.35 Weather.

Regional programmes as BBC-1 except:

WALES
6.10-6.15 pm Sports News Wales. 12.30 am Weather.

SCOTLAND
12.15-5.05 pm Grandstand, including: 12.45 News; Football Focus (12.20); Rallycross (12.50); Championship Darts (1.30); Racing from Ascot (1.50, 2.25, 2.55, 3.30); Snooker (2.10, 2.45, 3.15, 3.55); 4.35 Final Score. 6.10-6.15 Scoreboard. 10.00-11.20 Sportscene Special: Football and Snooker. 11.30-12.00 Late Night in Concert. King Sunny Ade. 12.00 Weather.

NORTHERN IRELAND
4.55-5.05 pm Northern Ireland Results. 6.10-6.15 Northern Ireland News. 12.30 am Weather; Headlines and Weather.

ENGLAND
6.10-6.15 pm London—Sport: South West (Plymouth)—Spotlight Sport: Other English Regions—Sport/Regional News.

BBC 2

6.25 am-3.10 Open University.
†3.20 pm Saturday Cinema: "None But The Lonely Heart" (1944).
5.10 Grand Slam.
5.35 Championship Darts. Final of Unipart Professional Championship.
7.25 News and Sport; Weather.
7.40 Fly on the Wall. Documentary.
8.10 Opera Night. Introduced by director Trevor Nunn, of Idomeneo from from Glyndebourne, and
8.15 Idomeneo. Mozart's opera, in three acts (10.0-10.10) Interval.)
11.20 News on Two; Weather.
11.25 Championship Darts.
12.05 am-12.35 The Twilight Zone. Mr Denton on Doomsday.

LONDON

6.25 am TV-am Breakfast Television.
9.25 LWT Information.
9.30 Sesame Street.
10.30 The Saturday Show with Isla St Clair and Tommy Boyd.
12.15 World of Sport: 12.20 Rallying — The Rothmans Manx International Rally; 12.35 Snooker—The Player Of The Year Awards from Redwood Country Club, Bristol; 12.45 News; 12.50 On The Ball; 1.20 World Championship Boxing; 1.55 Speedway—The World Longtrack Final; 1.40 Racing from Redcar; 1.55 Speedway; 2.10 Racing; 2.25 Golf—The Bob Hope Classic from Moor Park; 2.40 Racing;; 2.55 Golf; 3.45 Half-time Soccer Round-up; 4.00 Golf; 4.45 Results.
5.00 News.
5.05 The Krankies Klub.
5.35 The Fall Guy.
6.30 Game For A Laugh.
7.30 Punchlines.
8.00 Hart To Hart.
9.00 News and Sport.
9.15 Adult Movie: "The Omen" (1976), starring Gregory Peck.
11.20 Golf—Bob Hope Classic.
12.05 am Clive James on Television.
12.35 News, followed by Presenting Price and Night Thoughts.

CHANNEL 4

1.55 pm A Kind of Living.
†2.25 "Parnell" (1937), starring Clarke Gable and Myrna Loy.
4.35 The Chicago Teddy Bears.
5.05 Brookside.
6.00 Video Video.
6.30 News; followed by Flashback—War and Pacifism: The Bioscope Goes To War 1899-1902.
7.00 A Working Faith.
7.30 My World and Welcome to it.
8.00 Crucible — Science in Society.
9.00 Caleb Williams.
10.00-2.00 am 4 Track — Live Rock Music.

SOLUTION AND WINNERS OF PUZZLE No. 5,219

Miss A. Croker, 36C Cantelowes Road, London, N.W.1.

Mr. G. B. Oxendale, 10 Hartfield Road, Chessington, Surrey.

Mr J. Buchanan, P.O. Box 3835, Riyadh, Saudi Arabia.

REGIONS

S4C (WALES)
2.55 pm A Week in Politics. 3.35 The Beiencers 4.05 In Search of Paradise. Bir, Syr 4.30 Making the Most of It. 5.00 Yr Awr Fawr 5.55 Supered. 6.05 The Incredible Hulk. 7.00 Newyddion. 7.15 Gair o wlad y sais 7.40 Gwen Tomos 8.30 Ladybirds. 9.10 Y mars chwarae 10.00 Four Track Live.

ANGLIA
IBA Regions as London except at the following times:
9.35 am Falcon Island. 10.05 Vicky the Viking. 1.20 pm World Heavyweight Boxing. 1.55 Speedway. 2.10 Racing. 2.25 Golf. 2.40 Racing 5.35 Chips. 12.05 am Portrait of a Legend. 12.30 At the End of the Day.

BORDER
9.25 am Cartoon Time. 9.40 Tarzan. 5.35 pm Chips.

CENTRAL
9.25 am The Wonderful World of Professor Kitzel. 9.30 Profiles in Rock. 10.05 Vicky the Viking. 5.35 pm Chips.

CHANNEL
9.25 am Saturday Space—Stingray, followed by Space 1999 and Puffin Space. 5.05 pm Puffin's Pla(i)ce 5.10 The Krankies Klub. 5.40 The Fall Guy.

GRAMPIAN
9.35 am The Smurfs. 10.05 The Adventures of Gulliver. 5.10 pm The Krankies Klub. 5.35 Chips. 11.55 Reflections. 12.00 am Barney Miller.

GRANADA
9.25 am On Stony Beaches. 9.40 Falcon Island. 10.05 Vicky the Viking. 5.35 pm Chips. 12.05 am Hawaii Five-O. 1.00 The Ventures in Concert.

HTV
12.13 pm HTV News. 5.04 HTV News. 5.35 Chips. 12.05 am That's Hollywood.

SCOTTISH
9.25 am Storytime 9.35 Private Benjamin. 10.05 Zoom the Dolphin. 5.35 pm Magnum. 12.05 am Late Call.

TSW
9.25 am Cartoon. 9.30 Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House on the Prairie. 11.45 The Pruitts of Southampton. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Krankies Klub. 5.40 The Fall Guy. 12. am Astronauts. 12.30 Postscript. 12.35 South West Weather and Shipping Forecast.

TVS
9.25 am Wattoo Wattoo. 9.35 The Smurfs 10.00 3-2-1 Contact. 12.12 pm TVS Weather. 5.35 Knight Rider. 12.05 am Paris By Night. 12.35 Company.

TYNE TEES
9.25 am Morning Glory 9.30 Gather You Dreams. 10.00 TT Time. 10.05 The Adventures of Gulliver. 5.35 pm Chips. 12.05 am Rock Around Midnight. 1.00 Poet's Corner.

ULSTER
9.25 am Space 1999. 10.20 Cartoon Time. 5.40 pm Chips. 9.14 Ulster News. 12.05 am News.

YORKSHIRE
9.25 am Molotoons. 9.40 Little House on the Prairie. 11.20 Casablanca. 12.15 pm Late Night Drama.

RADIO 1
(S) Stereo broadcast
5.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Rock Lists Show (S). 2.00 A King in New York (S). 3.05 Paul Gambaccini (S) 4.00 Saturday Live (S) 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
7.30 am David Jacobs (S). 9.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.30 The Kenny Everett Show (S). 1.00 pm Punch Line. 1.30 Sport On 2—Golf: The Bob Hope Classic from Moor Park; Football including second-half commentary from 3.55, Racing from Ascot at 2.35, 3.05, 3.40; Motor Racing from Brands Hatch; 5.00 Sports Report, including 5.50 Football results and 5.45 Racing Results. 6.00 Country Greats in Concert. 7.00 Three in a Row. 7.30 Big Band Special (S). 8.00 A Gala Concert for the Young at Heart (S), including 9.00-9.20 Interval Talk. 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells (S).

RADIO 3
7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release, Worlock, Mozart, Nielsen (S). 11.30 Edinburgh Festival 1983, part 1: Handel, Bach (S). 12.15 pm Interval Reading. 12.25 Part 2, Dvorak. 1.05 Brahms Lieder (S). 2.00 Sir Adrian Boult (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Tom Koopman, harpsichord recital (S). 7.15 Another World, music of Laos (S). 7.55 Sibelius, piano music (S). 8.05 Idomeneo, Trevor Nunn's production of Mozart's opera recorded at Glyndebourne (S). 10.05-10.10 Interval. 11.20-11.23 News.

RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway, including 8.57 Weather; Travel and 9.00 News 9.50 News Stand. 10.05 Conference Special (report on the Liberal Assembly). 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent 12.00 News: A Small Country Living 12.27 pm Just a Minute (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-minute Theatre (S). 2.35 Medicine Now. 3.50 Wildlife. 3.30 Poor Mary Who Beneath this Stone . . . 4.00 News; International Assignment. 4.30 Does He Take Sugar? 5.00 This College and University Business. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-Up. 6.25 Desert Island Discs. Ian Richardson (S) 7.20 Stop the Week (S). 8.00 Richard Baker (S). 8.30 Saturday-night Theatre (S) 9.58 Weather. 10.00 News. 10.15 Kinlaven. 11.00 Soundings. 11.30 Wild Spain (S). 12.00 News. 12.10 am Weather. 12.15 Shipping Forecast.

CHESS SOLUTIONS

Solution to Position No. 483

After 1 QR-Q1, KR-Q1; 2 RxR, RxR; 3 R-Q1? (better 3 B-B5) Q-N3! forced White to resign. If 4 QxQ, RxR ch and otherwise Black threatens both QxQ and QxBP ch.

Solution to Problem No. 483

1 B-K2! and mate next move.

THEATRES

The morals of busy Lizzie

SEEDS VARY greatly in their requirements for satisfactory germination but reliable information on the subject is patchy and applies chiefly to the seeds of trees and shrubs that are grown on a considerable commercial scale from seed. For many of the less familiar ornamental plants one must experiment for oneself or search diligently in seed catalogues for the odd enlightening piece of information.

For exampe, I wonder how many amateur gardeners, even the keen and knowledgeable ones, know that the seed of *impatiens*, the busy lizzie, will not germinate in the dark.

It needs full exposure to light, which Dobies of Llangollen point out in their informative seed catalogue. It is not one of those seeds that, when sown, should automatically be protected with a sheet of glass and then a sheet of newspaper.

That is a recipe for failure or at best slow and irregular germination. Impatiens is also a seed that requires more warmth and humidity than most plants grown as half hardy annuals (it is, in fact, a half hardy perennial) and Dobies' recommendations on these matters are that seed pots or trays should be enclosed in plastic bags to maintain this high humidity and should be germinated in a temperature of 70-75 degrees F which is higher than that provided by most propagators with built-in heating.

The pots or pans must be removed from the bags directly the seed germinates or damping-off fungi may get busy among the fleshy seedlings.

In June I was given seed of Asiatic primulas which had been harvested the previous year and so was at least nine mnoths old. I knew this was hazardous because primulas lose their power of germination rather quickly but I was told that thorough rinsing of the seed would restore its ability to germinate.

I tried this but without any success and the seed pan remains as empty of primula seedlings as on the day it was sown.

I shall retain it for a few more months as I have been told that primula seed sometimes regains its ability to germinate after is has temporarily lost it but I have not much faith in this theory.

But for complete contrast I harvested some seed of Primula helodoxa in my own garden in early August before the pods were fully ripe, carefully extracted the still green seeds and sowed them immediately on a sterile peat compost.

They germinated freely in about a fortnight and this is clearly a very good way to handle them even though it is completely opposed to traditional wisdom that all seeds must be well ripened before they are sown, even if this means that ripening has to be completed in paper lined trays in a sunny window or greenhouse.

The idea was put into my mind by a nerine expert who said that fully ripened nerine seed was slow in germinating but that green nerine seeds germinated quickly.

To prove his point he gave me a few green seed pods from which I extracted the seeds

GARDENING

ARTHUR HELLYER

without further ripening and sowed them at once. It worked perfectly and now, 18 months later, the seedlings have made sturdy little bulbs which I have potted individually.

My friend's explanation of this particular peculiarity is that as nerine seeds ripen they develop an inhibitor which prevents germination until the favourable season for growth returns. By taking them green, one avoids this inhibitor and so it is possible to germinate the seed and grow on the seedlings in the controlled climate of a greenhouse or frame.

Many plants provide their seeds with delaying chemicals and some systems of vernalisation, i.e. artificial preparation of seeds for germination, are intended to get rid of these chemicals more rapidly and certainly more than would otherwise be the case.

One of the commonest methods is to mix the seeds with moist peat, vermiculite or perlite, place them in a plastic bag, which is then closed tightly with string or a rubber band to prevent moisture from evaporating and kept for a period of three or four months in the bottom of a domestic refrigerator, where the temperature is likely to be just a few degrees above freezing.

This simulates the weather of one winter and is safer than the older method of sowing the seeds outdoors in the autumn as they are not exposed to predators of all kinds or to decay caused by soil fungi.

Some gerimination inhibitors appear to be carried on the seed coat and I wonder whether the advice I was given to rinse my old primula seeds in water was intended to get rid of such a chemical. If so, it either did not work or the seeds had already lost too much vitality to be able to germinate.

It is not possible for seed merchants to market seeds before they are fully ripe in order to avoid germination inhibitors but there is no reason why gardeners should not do it with their home harvested seeds and having had two complete successes with this I shall certainly experiment further. It would be wise when doing so to leave some seed to ripen in the normal way.

A lot could also be learned from germinating seeds on moist blotting or filter paper in glass or polythene covered dishes. It would then be easy to see precisely what was happening and also to give small quantities of seed different treatments of temperature, light or shade.

It is easy to slip into the fallacy that, since all seeds need warmth for germination, one might as well make it a really comfortable warmth, say 75 degs F. It may work for a lot of seeds but not for all.

There are some that will germinate happily at 60-65 degs F and yet be completely inhibited by 10 degs more. I made that mistake one year with lettuce seed sown early in the greehouse which was just too well warmed for this temperate plant.

Some seeds are held back by hard coats which are only slowly softened by water and the action of natural acids in the soil. Experts use weak acid solutions to hasten this softening but gardeners usually try to get over the difficulty by the more laborious but less risky method of chipping the hard coat with the point of a penknife or immersing the seed for a few hours in warm water.

. . and the strange habits of the Mayfly

AFTER THE Mayfly ended in early June the River Test went almost into hibernation. There was little fly and even when there was a hatch few fish seemed interested.

This used to be the case on the Kennett when after a tremendous Mayfly hatch, the angling experts sought other pastures until September. But I never quite believed the explanation, which was the fish were so gorged on Mayfly that they could eat nothing for three months.

My theory is that once there is a tremendous Mayfly hatch there must have been an enormous population of Mayfly larvae living on the river's resources for the previous year and that these naturally starved out the larvae of other flies.

This is borne out to some extent by the experience of my own fishing on the Test over the last 25 years.

During the mid 1950s there *used to* be a *tremendous hatch*, there is today, and then the numbers seen dropped almost to vanishing point. I think that this improved the fishing.

The mid-summer months were always quite fruitful and in particular the evening rises from June onwards were always good. No one knew what really happened to the Mayflies.

The common theory was that strong south westerly winds blew the flies off the water before they could mate and lay their eggs and it took about 20 years for the survivors to build up numbers again to their present level.

The other explanation is that every animal population in the wild has cycles of fertility which cause numbers to wax and wane without visible reason. But there must be reasons and I guess that failing an environmental disaster like a drought or a flood, the river quite simply could not feed the increasing numbers and they just died off or failed to develop.

This year after the Mayfly ended the hot weather began and daytime fishing was very dour and evening turned out to be very disappointing. Even when there were fly to be seen the fish did not seem to want to know.

FISHING

JOHN CHERRINGTON

There used to be a pattern to the evening rise. On a cloudless July day it was useless to approach the river until the sun dropped below the western ridge of Downs.

This used to wake the fish up and caperers and sedge would begin their dances on the surface. Fish would start to move and provided one sent the right fly over a rising fish catching them was not much of a problem.

This was because rising trout stick to one station, and even a badly presented fly of approximately the right size would be taken.

This year the pattern was very different. The sun's disappearance passed relatively unnoticed either by fish or fly, and on several evenings I waited until it was pitch dark without seeing anything that looked like a rising fish.

At other times there was a goodish hatch of fly following each other in formation down the water surface, but these were completely ignored by the fish. Why did they not attract the fish which I knew to be there having seen them on the bottom earlier in the day?

I tried nymphing on several occasions, but I have generally found that if a fish will take a nymph it will usually take a dry fly, rising from the depths to do so.

Also once involved in nymphing it is all too easy to let the line swing round and turn the operation into down stream wet fly fishing. I have got to a stage in life when the rules of the river should be kept, and on my stretch of the Test upstream fishing with fly or nymph is the rule.

Towards the end of the drought in August a new pattern of evening rise developed. Nothing showed until dusk and then the river suddenly burst into life.

I have never seen anything like it. It was as if every fish was determined to show itself heading and tailing and jumping right out of the water.

I couldn't see what they were taking and only caught one fish during this period. This rise only lasted for a few minutes and then the water went dead again, as though someone had switched the *current off. Perhaps the fish* were praying for cooler weather.

Bob Fisher reports from Rhode Island

A clash of friends

Celebrating . . . Bertrand, daughter Sunshine and Alan Bond.

DENNIS CONNER and John Bertrand are friends; they stay in each others' homes. Their wives Judy and Rosa, play tennis together. Today that friendship will come under strain when the two meet as opposing skippers in the final race of the America's Cup, the race that is already being described as "the yacht race of the century."

For a few hours at least that friendship will be forgotten, replaced by rivalry to a point where it might be described as emnity. There is so much at stake for both.

For 132 years the Americans in the form of the New York Yacht Club have held a Victorian silver ewer made by Garrards. It cost just 100 gns and was the trophy for a race around the Isle of Wight. An appalled Queen Victoria was there to watch the schooner America beat the best of the British racing fleet. When told that the America was leading, she asked who was second. "Mam," came the reply, "there is no second."

The cup has stood in the West 44th Street Club house of the New York Yacht club as a symbol of the supremacy of American yachting ever since. It has withstood 24 previous challenges, none which came close to upsetting the balance of the Cup on its plynths to which it is reputedly bolted or of the undoubted superiority of the home sides' sailors in match races—only eight races had been won by challengers until this year.

Bertrand and his ten man crew in Australia II have changed all that. In the eyes of the Americans they have audaciously won three races out of six and now stand only one race away from ending the *longest tenure of a major inter*national sporting trophy. It has rocked the New York Yacht Club, it has rocked Newport Road Island, it has rocked many Americans — a bastion of American pride is under seige.

Bertrand is considered to be responsible for this state of affairs. He has a long background of involvement with Australia's challenges for this cup, going back to 1970.

In those days he sailed as a sail trimmer on Gretel II, an experience which was to inspire him to take 12-Metre rigs as the subject of his thesis for his master's degree in naval architecture at the Massachusetts Institute of Technology.

Alan Bond then invited him to design the rig of Southern Cross, the world's first aluminium 12-Metre which challenged for the Cup in 1974. Bertrand joined the crew as mainsheet trimmer and tactician for skipper Jim Hardy (now Sir James Hardy). It was the first time that Bertrand raced against Conner in the America's Cup.

Conner started that year as skipper of one 12-Metre moved to another to be tactician for Ted Turner, replaced him as skipper after an argument in the syndicate that owned the boat, and when that was eliminated he moved to be starting helmsman and tactician aboard Courageous the Cup Defender.

He found irrepressible the the draw of America's Cup competition, and within a few years found himself at the hub of a syndicate with the funds to do as he pleased in the defence of the Cup.

What Conner did was to alter the game plan for Cup defence. He acquired one of the 12-Metres which had failed to be selected in 1977, then built a new boat and put together a 3,000 hour programme of sailing which enabled him to evalnate the boats and hundreds of sails.

He was accused of taking the enjoyment out of Cup racing but his carefully studied approach left him with "no excuse to lose," his attitude to sailing. When it came to the American trials in 1980 Conner and Freedom lost only two races all summer.

That year, Bertrand had been campaigning for the Olympics, was selected for the Australian team and then found himself with time on his hands when Australia applied the boycott. In no time he found himself in Newport at the request of Bond to be crew coach. He wound up on board as a sail trimmer meeting Conner in the cup for a second time.

Bertrand was a natural choice of skipper for Australia II, the boat whose speed has caused such controversy in Newport. He had more experience in 12-Metres and the America's Cup than any man in his country and the boat he was to sail marked the sort of development which Bertrand, the logical thinking engineer, could probably appreciate.

She is a breakthrough in yacht design; Ben Lexcen her designer, is a self-taught naval architect with a sense of feel for what is right and the knowledge of when to approach professional help in areas where he feels he can benefit.

He and Bertrand had worked together successfully on Southern Cross in 1974 and many other projects. Bertrand knows Lexcen's thought processes and helped to develop them.

Conner too has worked closely with the designer of Liberty, his choice from the four boats he tested prior to the American trials this summer.

There is nothing to chose between the two friends who today will forget that relationship for four hours or so and engage in what for one of them *will culminate in the greatest* sporting achievement of his life.

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Saturday September 24 1983

Redeveloping the economy

"OLD BUILDING collapses" is headline news; "New building completed" is a public relations handout. This pessimistic bias in the news may be deplorable, but attempts down the years to launch upbeat newspapers have always failed for lack of readers, for it is a basic human weakness to take comfort in the fact that others are worse off than ourselves.

Because of this bias, the real news is sometimes hard to believe. Dunlop, inventor of the balloon tyre, has sold the core of its European operations to the Japanese. Acrow, one of the biggest names in the industry, is getting out of steel tubes. Huntley and Palmer are finding it hard to sell biscuits. And the UK economy is growing faster than we supposed—an annual rate of over 9 per cent in the first quarter, to use the American style. Growing faster? The computer must have blown a fuse.

Growing signs of success

As a matter of fact the computer is probably still understating the facts of rising output, though the income and expenditure figures show a clear enough picture. As we have been explaining in recent weeks, the statisticians find it rather hard to measure what is going on in a structurally changing economy. They estimate output by taking sample readings from industrial informants. The declining industries have been on the books all along; but some of the growing ones—computer software, on-screen information, microlight aircraft, laser discs—may escape the net altogether or if they are recorded, are given too small a weight.

That is why the reweighting on a 1980 rather than a 1975 basis has produced a higher growth rate. In the same way, a rebased price index usually gives a lower inflation rate. Markets respond faster than the statisticians can—especially since the statistics office has not been spared in the Government's candle-ends campaign. We know some broad and important facts. For example, that Britain has the fastest-growing electronics industry in Europe. We don't know the detail, because it is expensive to collect.

There are growing signs, in short, that the Government's economic approach has been more successful than we knew at the time. This will no doubt encourage Mr Cecil Parkinson in his new approach at the re-merged Department of Trade and Industry. If monetarism and a refusal to reflate stimulate productivity and new industry, what about the paradox that freer trade will create more jobs? And that regional aid, as the Association of Independent Businesses argues, destroys as many jobs as it creates, while burdening the whole economy?

Positive side of Thatcherism

Mr Parkinson is running such notions through his own computer, and apparently getting some interesting results. If he would also test the proposition that excessive tax allowances for investment waste capital and destroy jobs, he might be able to show his colleague, the Chancellor, how to cut tax rates too.

This is the positive, adventurous side of Thatcherism; the Cavalier side, perhaps. Unfortunately Mr Lawson, despite his abundant hair, appears to be a Roundhead. The Treasury, reared on old-base statistics and bitter experience, lends a coldly sceptical ear to any talk of dynamism. Its basic working assumption is that growth will be inadequate to finance the services which taxpayers will expect in the future in increasing volume, as they grow older. The search for economies, therefore, is getting fierce.

In one sense this is very healthy: public spending plans based on over-optimistic growth assumptions have been the bane of British fiscal life since the National Plan introduced by Mr George Brown nearly 20 years ago. However, as one distinguished observer remarked in a seasonable but rather confusing metaphor, we must be careful not to burn the seed-corn with the stubble. The scientists who are rebelling against the Royal Society's plans to honour Mrs Thatcher feel that their sowing efforts are undervalued and hampered.

Efficiency at a high price

The Government may also have to learn that it can be too puritanical (or too cavalier, in the wrong sense) in its approach to our national institutions in its drive for structural change. There is a stubble-roots rebellion growing up among local authorities and health authorities, among the academics and the transport undertakings, against the new centrism which the Government is preaching in its efforts to control the activities of everyone who spends public money. Mr Patrick Jenkin's new attachment to what he calls the unitary state is simply a new way of saying that the man in Whitehall knows best, a new and unwelcome doctrine from this Government. Efficiency can be bought at too high a price.

Davids face up to Goliath

By Malcolm Rutherford

MR TONY BENN argued on the fringe of the Liberal Party Assembly in Harrogate this week that the real disputes in British politics today are within the parties rather than between them. And the Liberals had a shot at proving him right.

Mr David Steel is still the undisputed leader — there was never much doubt about that—but it is a difficult bunch that he has to command. There are at least three strands: the orthodox group around Mr Steel, interested mainly in the steady advance to power through the Alliance with the SDP; the Association of Liberal Councillors, who stress community rather than national politics; and the Young Liberals who now closely resemble the young socialists of the past.

It is also striking that, whereas in Salford last week Dr David Owen sought to move the Social Democrats to ground similar to that occupied by Mrs Thatcher, the Liberals, or at least many of them, seem to be moving to the left.

Mr Steel's triumphant speech to the Assembly yesterday did not wholly contradict that impression. He tried to play to all three strands and to the SDP as well. There was deference to community politics to placate the Councillors, a sharp attack on British nuclear weapons policy and arms sales to please the Young Liberals and a promise of greater teamwork in order to defuse the attacks on his personal use of power.

There was a tribute to Dr Owen in that he picked up without saying so the same quote from Oliver Cromwell that the SDP leader had used in Salford: "Know what you fight for, and love what you know."

But for all the joyous quips—Mrs Thatcher as President Reagan's echo rather than his ally and Britain as the "East Germany of the Atlantic Alliance"—it was hard to see much new in the way of policy proposals. Dr Owen could not have made that speech, which is meant as a compliment too and a criticism of both of them. Mr Steel is good at the general appeal and the generalisations. Dr Owen is better on the substance.

Yet that the modern Liberal Party is coming of age there can be no question. This was a real conference, not an SDP seminar, and no longer, like some Liberal assemblies of the last few years, an event on the fringe of the political scene.

Perhaps the biggest single tribute paid to it was the presence of Mr Benn himself. Mr Benn spoke at a packed fringe meeting organised by the left-wing Labour magazine, Tribune. His aim was to convert some of the radical Liberals to what he called the newly radicalised Labour Party.

The outstanding result was that he seemed to have met his political match in Mr Michael Meadowcroft, the new Liberal MP for Leeds West, with whom he shared the platform. Mr Meadowcroft is no less radical and no less well-versed in political history than Mr Benn, and

Hugh Routledge

David Steel: "still the undisputed leader but it is a difficult bunch that he has to command"

he admitted that it was more of "a debate with Tony," rather than with the Labour Left, of whom the latter is not typical.

Where he scored, however, was in outlining a radicalism that had nothing to do with the Labour Party. Liberals rejected Labourism, he said, because it still relied on the primacy of the state, did not pay sufficient attention to the needs of the individual, and was not ready to break down the hiterarchical base of the trades unions.

As for Mr Benn's point that poltical re-alignment is still not complete, the answer to that was to change the electoral system. That might open the way to new radical groupings. Mr Benn would have none of it: one day, he believes, a radical Labour Party will achieve an overall majority.

It was Mr Meadowcroft who seemed to represent the future and he has emerged as one of the most thoughtful of British politicians. Like Mr David Alton in Liverpool, he is one of the few Liberal MPs to sit for an urban constituency, having come up by developing a strong community base (most of the others are still from the Celtic fringe). This is the community politics which he and the Association of Liberal Councillors want to foster and over which they sometimes clash with the national leadership.

At Harrogate there was a certain reconciliation. Mr Steel made it up, for example, with Mr Tony Greaves, who had been one of the councillors most critical of the leadership during the election campaign. Yet the relationship is likely to continue to be delicate, if only because the ALC is prone almost to contempt for national power.

The relationship between the leadership and the Young Liberals, on the other hand is potentially deeply embarrassing—not least as it affects the future of the Alliance. A certain proximity to the left-wing of the Labour Party came through in the language of some of the resolutions.

The resolution on unemployment was dismissed by the Young Liberals as a "mild reflation of a dying economic system," and was very nearly thrown out altogether. An amendment to the resolution on the health service called in almost stock Labour Party terms for "the establishment of a state-owned sector of the pharmaceutical industry," and was only narrowly defeated.

But it was on Ireland that the Young Liberals excelled themselves. True, the call for talks with all parties, and therefore including Sinn Fein, was rejected, though only just. Still, the Assembly did vote for the principle of a united Ireland, the creation of an All-Ireland Council, an invitation to the governments of the European Community to take over the security role in Ulster, and made no mention whatsoever of the need to obtain the consent of the majority of the population.

One can understand after that why Mr Steel was so keen to maintain his control over the party manifesto, and does not regard Assembly resolutions as unduly binding. No doubt, he will do his best to ignore it. But the matter cannot be dismissed as lightly as that.

After all, the resolutions went even further in demanding Irish unity than many present-day Irish nationalists. The Assembly appeared, despite the valiant efforts of Mr Stephen Ross, the party's Northern Ireland spokesman, to know almost nothing about the Forum for a New Ireland, which is re-examining the whole question at the highest level—so that, at the very least, the resolution was ill-timed.

'There are still times when the Liberal Party, or parts of it, lays itself open to ridicule'

And does anyone seriously imagine that the presence of the Bundeswehr in Belfast, or French paras in Armagh, would be preferable to British forces, even if their Governments would send them, which they would not?

There was another less serious but indicative incident. At one stage, standing orders were very nearly suspended, largely because Mr Alex Carlile, the promising new MP for Montgomery, had said that he regarded the modern usage of the words "queer" and "gay" as an abuse to the English language, and implied that he saw no need for reverse discriminations in favour of homosexuals.

There are still times when the Liberal Party, or parts of it, lays itself open to ridicule. No wonder Dr Owen sometimes has reservations about whether the Liberals will be sound on policy. The Social Democrats inhabit altogether more conventional ground.

That is not to say that there were not bright spots; far from it. The Liberals really do look like a real political party now, even if the definition of that is an ability to show your divisions in public.

The Assembly sensibly defeated the call for the establishment of a new post of deputy leader. One suspects that the real reason was that there was no obvious candidate for the job. But the decision was wise none the less, since there is no evidence that the existence of an official deputy leader has done any other party a great deal of good and in the Labour Party the whole business has done a great deal of harm. The Liberals are well out of that kind of institutional reform for the time being, though Mr Steel will have noted that the challenge was made.

Other signs of vitality were the number of delegates who are experts in their own subject and who would carry weight wherever they spoke. Lord Ezra, the former head of the Coal Board, is an outstanding example, but there are others, such as Mr John MacDonald, QC, on the law and human rights, and Mr Des Wilson, campaigner on housing, property and the environment.

The new MPs are not just a bunch of eccentrics, and Mr John Pardoe, the Economic spokesman who lost his seat in 1979, is no longer saying that he would not contest a by-election. If he were to choose the right place, he would stand a very good chance.

Even on policy, the Liberals may now be right to emphasise their greener side; light green, anyway. It is possible that on the environment they are beginning to catch a popular mood: witness the general outbursts this year against straw-burning and the possibility of dismantling the green belts. Ecology is no longer a cause for freaks.

Not least, there is a formidable movement building up in the background to challenge the electoral system. The all-party Campaign for Fair Votes is led by Mr Roy Jenkins, who will devote considerable energy to it in the next few months. The aim is to gather a massive number of signatories to a petition by the end of March. Given the nature of the general election results, it is just possible that it might take off as popular cause number one.

As for the Alliance, it will survive: no question. There have been some bitter arguments, mostly behind the scenes, about the allocation of seats. But the fundamental point is that both parties need it for their own future, and they know it.

The remaining problems are likely to be about joint selection of candidates, especially for the European Parliament elections next June. The Liberals are in favour of it, the Social Democrats say only in exceptional circumstances. Yet, even here, there is a built-in safeguard which should ensure that agreement will be reached in the end.

The SDP leadership must know how dictatorial it would look if it sought to veto decisions taken at the local level. The only really serious problem would be if the principle of "rough parity" in the allocation of seats between the two parties were to be thoroughly breached.

In the longer term, there may well be difficulties about policies, but that is not an immediate concern.

Mrs Shirley Williams, the SDP president, told the Assembly at the start of the Alliance had become the "effective" opposition. While that is possibly true, there remain two reservations. Unless the Alliance makes its breakthrough, it may be that what we are witnessing is not so much political re-alignment as political fragmentation. And, meanwhile, Mrs Thatcher is still enjoying the benefits of having two oppositions, which are unlikely to combine against her.

Letters to the Editor

Repressive

From the Executive Secretary, Wider Share Ownership Council.

Sir,—While the modification of stockbroking commission, particularly in the case of small transactions, would be welcome, a much greater incentive to wider share ownership would be the abolition of stamp duty on transfers. At present, when payable, stamp duty is nearly always greater than commission. Stamp duty in the United Kingdom is high when compared with other countries.

Whereas commission is a justifiable payment for services rendered, stamp duty is a repressive tax which merely inhibits share ownership. The private investor, especially the small investor, would be more evident if the duty were abolished or even considerably reduced. Our council has campaigned for the abolition or reduction of stamp duty for many years and will continue to do so.

Ive Nicholls,
126, Hayes Lane,
Kenley, Surrey.

Toughness

From the Director, Creativity and Innovation Programmes, Manchester Business School.

Sir,—Dr Owen's keynote speech at the SDP's conference in Salford included a reference to gentle toughness. This anticipates some research results from the Manchester Business School.

We have found an important quality in effective industrial leaders and labelled it "sensitive toughness." It is not an entirely new concept as readers familiar with John Adair's "Action Centred Leadership" will know. Our results suggest that a massive proportion of our samples of UK managers have simplistic models of leadership—recognising the importance of toughness, but underestimating another kind of toughness involving sensitivity to the needs of others, including customers and subordinates.

This has particular relevance to industrial innovation. There seems a misguided belief among industrialists that British inventiveness is supreme, and perhaps we just need to brush up our marketing a little. Old amateurish traditions still seem to weaken concern for painstaking detail, and for vigorous pursuit of incremental developments and product improvements. Sensitive toughness will be needed to challenge these attitudes, and to produce a more competitive industrial sector in Britain.

The Government's initative on science, technology and industry is to be welcomed, and the debate demonstrates a growing recognition of mutual responsibilities in industry and in the universities for innovation. The implications deserve more than a cursory study, but one issue is immediately germane to my main point. The new breed of industrial entrepreneurs which, it is hoped, will wring more innovations from erstwhile slumbering monopolies, will also have to be sensitive to the systems and people they are working with. It will be one of the roles of top management to encourage the emergence of "sensitive toughness" in the interests of industrial revival.

(Dr) Tudor Rickards,
University of Manchester,
Booth Street West, Manchester.

Hedgers

From Mr R. Louth

Sir,—Clive Wolman errs in asserting that this department has refused to allow unit trusts to hedge against currency risks by means of forward currency transactions ("Driving the hedgers offshore"—September 10). This, I regret to say, was one of a number of errors and misconceptions in his article, which unfairly portrayed the department as a barrier to new developments in the unit trust field. We have a duty, as regulatory authority, to weigh the advantages claimed therefore against any possible detriment to investors in authorised unit trusts, but this does not mean presuming all proposed changes to be malign.

The existing rules about forward currency were designed with specific purchases of securities in mind. It is evident that managers are now interested in having wider facilities enabling them to shelter funds as a whole from exchange rate risks, and the department is considering this question as a result of a recent approach. Mr Wolman is perfectly entitled to argue the advantages of allowing funds to be hedged, but it is less than fair of him, in an article which acknowledges the experienced inaccuracy of most managers' exchange-rate forecasts, to chide the department for not treating it as an unmixed blessing.

I cannot yet say what will finally be decided, but it is a matter of law and record that the department must be and is (of, inter alia, traded options) prepared to apply open ears and an open mind to arguments for modifying the rules under which unit trust schemes are authorised.

Roger Louth.
Companies Legislation Division 1
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Aid

From the General Secretary, Southwark Council for Voluntary Service

Sir,—You state in your report of September 19 headed "Inner city cash may be halved" that "the cut might be easier to make in view of the fact that there is no indication of the views of Mr Patrick Jenkin, the Environment Secretary, on inner urban problems." We would like to point out that in Press Notice 245 issued by the Department of the Environment on June 17, Patrick Jenkin stated, "Inner city issues are serious enough to demand the concern and attention of senior Ministers. I intend to implement the Conservative Manifesto commitment which reads 'we shall encourage greater opportunity for all those who live in our inner cities, including our ethnic miniorities . . . We shall continue to give priority to the areas most in need.' That will be my policy and my personal commitment."

You will appreciate that as a voluntary agency very active in the inner city we were heartened by the Press statement but most depressed by your report of a threatened retrenchment. Urban aid is an extremely important source of money since it enables people in the inner city to carry forward their own initiatives to improve the local area.

Set in a wider context of less rate support grant, rising unemployment and increasing poverty this comes as one more blow to voluntary organisations struggling with the impossible in Britain's decaying inner cities. We are already concerned as well by the fact that 55 per cent of traditional urban aid designed for inner city areas was allocated last year to shire counties, for example to areas such as Sevenoaks and the Forest of Dean.

As one Southwark black self help project put it when not considered for urban aid last year, the lack of funding of local initiatives encourages a "defeatist, apathetic or an angry nihilistic response."

Jenny Stiles,
135, Rye Lane,
SE15.

Conveyancing

From Mr A. Roper

Sir,—Mr Joseph Bradshaw (September 17) denies that the 1979 Royal Commission on Legal Services by a substantial majority came to the conclusion that not only should the solicitors' monopoly of conveyancing be retained but that it should be extended to include the preparation of contracts.

May I therefore quote directly from the Royal Commission's report as follows: "21.61. The present restrictions, set out in paragraph 21.4 above, prevent an unqualified person from drawing up a conveyance or document of transfer but do not prevent such a person from drawing up the binding contract which is exchanged by the two parties. We consider that this is an anomaly which should be rectified because the client needs the same degree of protection in respect of the contract as he does in respect of the document by which the transaction is completed. Some would go so far as to say that the need for protection is even greater at this stage. We recommend that the Solicitors Act 1974 should be amended to prohibit an unqualified person not merely from drawing up for gain the final document but also from preparing a contract for the sale or other disposition of land or any interest in land."

Mr Bradshaw's letter is therefore misleading in its implications quite apart from the dangers of his apparent advocacy of do-it-yourself conveyancing which is very unwise indeed in the absence of a full and thorough background knowledge and study of the law involved.

Alan D. Roper.
Court Chambers,
3, Victoria Street,
St Albans,
Herts.

From Mr K. Walker

Sir,—It saddens me that Mr J. Pratt (September 13) should describe conveyancing as a monopoly. There is no monopoly; the conveyancing business is open to anyone who is prepared to obtain the appropriate professoinal qualification and manage his affairs in accordance with the rules of practice laid down by the Master of the Rolls.

In my small-town five firms of solicitors compete in both price and service for conveyancing business. There is hardly greater competition between butchers or bakers, and rather less between candlestick makers, carpet fitters, chiropodists, clearing bankers etc.

Why should a budding conveyancer not be prepared to submit himself to a rigorous test of his competence and integrity? Tens of thousands have done and are proud to call themselves solicitors.

K. Geyve Walker.
1, St. Andrew's Place,
Penrith, Cumbria.

Pensions

From Mr I. Eliasson

Sir,—I understand that Mr Fowler is intending to legislate to end the present pension discrimination against people who change their jobs (September 15).

Having recently left a job after six years service my own problem is:

	pa
Personal contributions	£3,307
Transfer value	£3,404
Deferred pension in 24 years time	£5,172

A sum of £3,300 placed in a retirement annuity would produce a pension of approximately £6,000 pa in 24 years time.

Two life assurance companies have informed me that as my transfer is less than £5,000 the Inland Revenue will not permit me transferring into a retirement annuity.

Mr Fowler does not have to legislate to help me and surely my problem is not uncommon.

Ian Eliasson,
93, Rickmansworth Road,
Watford, Herts.

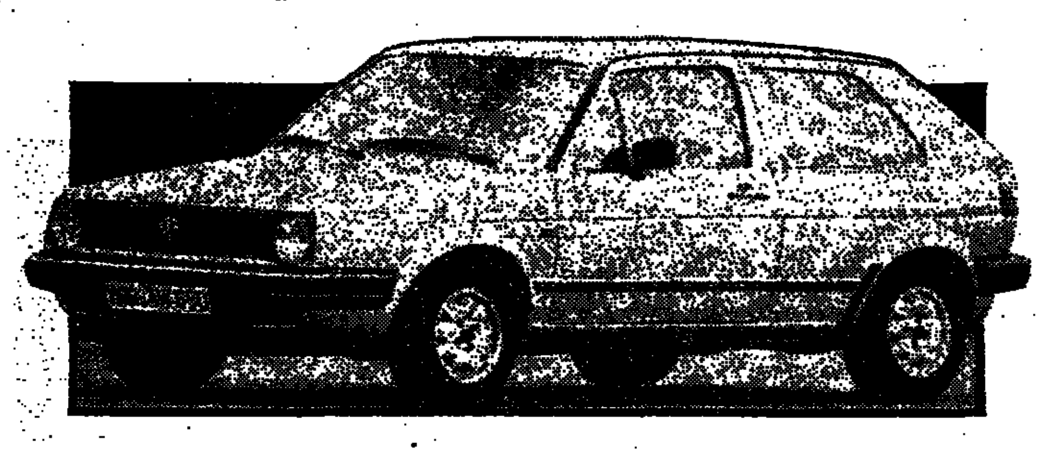
Control

From Mr A. Aldam

Sir,—From recent correspondence on the subject of cash flow management it would seem that some people are not aware that if cheques are paid into a branch, other than where the bank account is held they will appear on the bank statement and will be cleared two banking days later. The bank statement will then record the exact cleared balance and those with an overdraft will save a day's interest.

A. Aldam.
Hillaldam Coburn.
Red Lion Road,
Surbiton, Surrey

Productivity can boomerang too



The Volkswagen Golf—automated assembly pushed to the limit

EUROPE'S MOTOR industry is not even half-way through its $80bn investment programme for the 1980s. But already many senior executives are asking: where is the rest of the cash to come from?

The industry more or less doubled its rate of spending after the mid-1970s oil crises—and the mouthwatering array of gleaming metal on display at the Frankfurt Motor Show which ends tomorrow demonstrates how the investment has borne fruit.

The big boost in spending had two main objectives: to stop the gap between Japanese and European production costs widening—and perhaps even to close it slightly— and to enable the Europeans to build into their cars more technology and better engineering than the Japanese. In this way, European cars would continue to command a price premium.

The problem is, however, that at the moment European manufacturers cannot charge high enough prices for the new models to cover the huge present and future investment bill.

In the year to July, average prices have risen by only 3.9 per cent compared with 6.9 per cent in the previous 12 months. And this is despite the fact that this year the companies are offering, as one executive put it, "much more car per car."

Paradoxically the very success that the Europeans have had in boosting productivity is causing major problems.

Ford of Europe provides one example. In the past two years the company's three Continental plants have between them squeezed out an extra 200,000 cars a year, thanks to improved working practices and more automation. That is almost equivalent to an extra plant—250,000 cars a year is about the right size for a modern assembly facility. The result is that 20 per cent of Europe's total available capacity is idle in present conditions, says Mr Ed Blanch, President of Ford of Europe.

The combination of higher productivity and lower expectations about future demand have already forced Ford to shelve plans for a new car plant in Portugal.

There are other examples. Volkswagen claims to have pushed automated assembly for its new Golf (launched this month at Frankfurt) further than any other manufacturer, including the Japanese.

The company's new $385m, 250 robot assembly hall at Wolfsburg has cut the final assembly time of the new Golf by 11 per cent. Final assembly of each old Golf took 15 hours—the new methods cut the time by 100 minutes.

But as labour and other variable costs have fallen, the increased spending on capital equipment has raised the industry's already-high fixed costs. And that means the break-even production level at the plants has actually moved up. More metal must be moved out to the dealers than ever before if the factory is to make a profit.

Sig Vittorio Ghidella, chief executive of Fiat Auto, a company which relies heavily on small and medium cars, has no illusions. He is convinced that the European industry is heading down a very bumpy road. In the first phase of the journey, he said at the Frankfurt show, the industry has brought out its attractive new models but found itself burdened with more and more excess capacity. The second phase will mean a much more aggressive price war. "If you look closely at Ford and General Motors' prices you will already see signs of this," said Sig Ghidella.

If keen pricing fails to keep sales up, manufacturers across Europe would be forced into a third phase and have to start offering more financial incentives at the retail end of the business, including extra financial support so that dealers would have more room to manoeuvre. All this has a familiar ring in Britain where the third phase actually began some months ago.

What happens next?

Sig Ghidella shrugs. "Who knows? Logically it should be the collapse of a company." But this, he admits, is unlikely given that governments have a large vested interest in their car companies — roughly 10 per cent of manufacturing employment in Germany, Italy, France, Spain and the UK is in the auto industry.

Neither is it easy to cut capacity, as the Peugeot group's current argument with the French Government about its programme to cut their workforce by 10 per cent underlines.

But the manufacturers can do something about cutting other costs — and they must, given that prices cannot be easily raised. "Compared with the Japanese, the costs which the European manufacturers face are still too high. And our suppliers' costs are the big problem," says M Bernard Hanon, president of Renault.

Dr Carl Hahn, Volkswagen's chief executive, agrees. "We manufacturers have done nearly as much as we can to get our own costs down so that we can be nearer to Japanese costs. But 60 per cent of the cost of a car comes from bought-in components. That is the area to which we must now pay attention."

But there are other costs which are quite outside the control of the companies themselves. A major topic of discussion at Frankfurt was the West German Government's go-it-alone decision to implement stringent controls on exhaust emissions by 1986. This decision has dramatised the European Commission's failure so far to harmonise critically important technical standards for vehicles and is strongly opposed by German manufacturers.

"While the industry supports the efforts to reduce pollution —and has already contributed greatly to the efforts so far — any action to reduce exhaust emissions further should be on a Europe-wide basis and based on clear understanding among politicians," says Herr Ferdinand Beickler, Opel's chairman.

"The changes should be made only after sound research has been made into the way the automobile can really contribute to cutting pollution. Free trade between the European countries could be seriously damaged if Germany went ahead on its own."

To meet theproposed standards all cars sold in Germany will have to fit emission control equipment adding between £250 and £500 to the retail price. That, says Herr Beickler, will hurt the French and Italian small cars disproportionately.

In fact, the Commission has been working on the problems of European harmonisation. But, ironically, it seems to have made most progress in an area which upsets the industry at least as much as the proposed German pollution controls.

European consumer organisations have been pressing the Commission hard about the big differences in tax-free prices for cars between EEC countries. It plans new regulations which would keep the difference between the highest and lowest tax-free prices for the same car within the Community to a maximum of 12 per cent.

Ford's Mr Blanch, reflecting the general concern in the industry, maintains "The EEC is acting as if the motor industry is operating in one market, with the same rates of pay, hours, tax, economic growth and — above all — currency."

"But currency changes can alter the cost of operating in a country by 15 per cent overnight — how can you have price uniformity in those circumstances? There are no Community prices for milk or meat or steel — yet they are saying there should be one for cars"

"The industry can't remain profitable if its prices are linked to those in countries where, for example, prices are frozen. And if the profit is not there then the EEC should understand that the industry will not be able to support its long-term investment programme. Then the profit problem will become a jobs problem."

Behind all these arguments, is the looming presence of Japan. The Japanese, following the Nissan-Alfa arrangement and the co-operation between Austin Rover and Honda, may well look for more joint overtures with the Europeans. "I believe the Japanese have learned their lesson and will not push up the numbers of built-up cars they are sending to Europe," says Sr Ghidella of Fiat. "I think they will go for more joint ventures rather than worsen Europe's overcapacity problem by setting up new plants."

The French, who, like the Italians, have much to lose when the Japanese sell their small cars in Europe, agree.

So from next year the French Government is proposing to take action against vehicles with part-Japanese content. It has chosen as the initial target the Triumph Acclaim which Austin Rover makes under licence from Honda.

Austin Rover expects to sell about 5,000 Acclaims in France this year. If this was repeated in 1984 the new arrangements would require the number of Japanese cars imported to France to be cut by 2,000.

This worries the British Government, not because it is specifically aimed at the Acclaim, but because it is seen as another attempt by the French to discourage Japanese investment in Europe and particularly to influence Nissan's decision about its potential car plant in the UK.

"We can't allow Japanese beachheads to appear in Europe," says M Hanon of Renault. And his is by no means the only European company that will be pressing the Commission to come up with a much more strict definition of what can be called a "European car."

The trend that has gone into reverse

By Michael Dixon

Punch 1970

"You can't dress like that boy —this is a permissive school"

FEW PARENTS will dispute the truth of the words used by a grizzled North Country doctor in the 1950s to confirm that my wife was expecting our first child. "You are hereby sentenced to 20 years' hard labour," he said.

Nowadays, it takes luck for parents to get off with as little as 20 years' hard labour in essential support of their offspring. Many of the young are still students at 21 or older and their grants and piecemeal earnings rarely cover their costs. Employers' growing insistence on academic qualifications also makes it hard for children who leave education earlier to find a job that makes them self-supporting.

Yet even fewer parents will dispute that it is desirable for everyone's sake to get children to accept responsibility for their own conduct, preferably before they reach puberty. The only problem is finding a way to do it.

One hope of a solution earlier this century was vested in the so-called progressive schools which offered pupils far more freedom than was dreamt of in conventional establishments. Odd though it may seem in view of the allegations of unruly behaviour at Dartington Hall—once an acknowledged standard-bearer of the progressive movement—the aim of allowing children a decisive say in what they did at school was to get them to accept early on the responsibilities they would have to bear to live as self-supporting adults.

The opportunities to be educated in that mould have become fewer and far between. Truly progressive principles are now upheld by just three British schools with some 140 pupils altogether.

The first is Summerhill in Suffolk, founded by the pioneering A. S. Neill. His widow, Ena, still runs it in line with majority decisions made by pupils and staff at their Saturday-evening council. She, like every staff member, has one vote. So does each of the pupils from the youngest at 3½ to the oldest at 16 (sixth-form study must be done elsewhere). At £2,400 maximum, the annual fee compares with Dartington's £5,800.

The second is Kilquhanity House in Scotland, which runs on comparable lines under Neill's follower, John Aitkenhead. It has 36 children and charges £3,000 maximum.

The third, which differs by not being a boarding school and in being funded as a development venture by the Inner London Education Authority, is the White Lion Street Free School in Islington. It appears to be the sole survivor of the progressive day schools which sprang up in several city areas early in the 1970s.

Other names associated with the movement—such as Abbotsholme and Bedales—are no longer progressive but merely liberal. They consult pupils but do not let them decide policy and while fostering an informal atmosphere, they offer fairly standard academic curricula.

The main cause of the change is not the problems alleged to have occurred at Dartington, even though another member of the movement — Monckton Wyld—closed this summer after criticisms from the state educational inspectorate.

The prime reason is that employers have responded to the increased output of graduates and to youth unemployment by raising the academic qualifications they require when recruiting for jobs with good prospects. Parents have in turn reacted by becoming more insistent that their children pass examinations.

While heads and teachers in general resent this emphasis on exam-passing as a bar to many important educational developments, the former progressives which have gravitated towards conventionality feel they have no choice. Fee-paying parents call the tune.

Mrs Neill disagrees. Her pupils have themselves noted the demand for success in exams and take them of their own volition. Last term, of Summerhill's 57 children of all ages, 10 sat for between five and 10 Ordinary levels. All gained at least the pass-grade of C.

Nor are there disciplinary problems, she says, even though nine in every 10 pupils are from broken homes. Unlike schools such as Dartington and Monckton Wyld, she does not take new entrants in their mid-teens who may be hostile to schooling. Summerhill's children enter young. If they try to dodge the responsibilities that go with freedom they are soon corrected by their seniors.

But it seems unlikely that the progressive movement will recover its former strength. It began when many parents felt that children were restrained from, rather than equipped for, living a full life by the rigid curricula and discipline of standard schools. Where discipline is concerned, the feeling today is apparently that schools are unwarrantably lax, especially in the state sector.

One body confident of a growing desire for greater strictness is the Muslim Parents' Association of Bradford, which wants to set up its own schools. The city's education authority has refused to sell any buildings and the majority of the Bradford Mosque's council is opposed to the association's plan. But if it cannot get the refusal overturned, the association is likely to go ahead on its own. Its secretary, Mr Riaz Shahid, thinks money will be readily available from Muslim sources.

Although the association's schools would be mainly centred on Islam, they would offer alternative religious education for Christians and others. "As we would demand obedience and dedication to study, I feel sure many local indigenous parents would turn to us instead of the existing schools which mostly turn out just the ruffians of tomorrow."

In addition, there is another tendency which might well eventually reduce the numbers of the progressives. In the words of Summerhill's Mrs Neill:

"We get no help from the state and while the children face up to their responsibilities I can't say the same for all their parents. Too often they simply do not pay their bills."

Weekend Brief

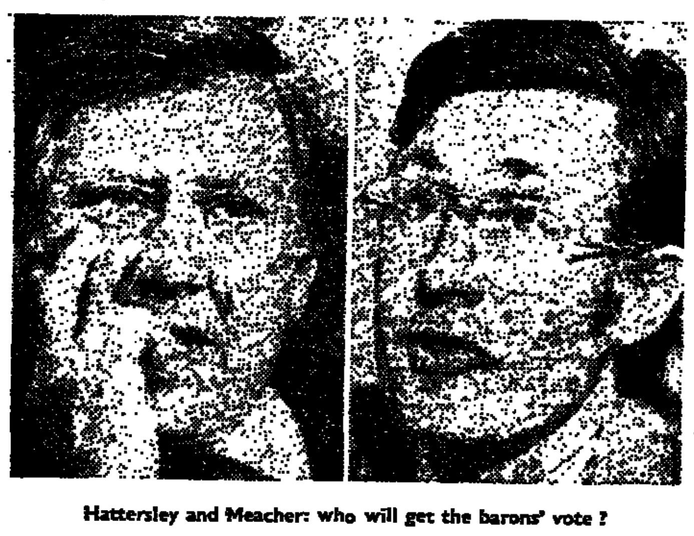
Many a slip twixt cup and lip

Top of the hopes-dashed-shock stakes this week is Mr Michael Meacher, the Left-wing challenger to the Labour deputy leadership, the man whom his opponents tease as being the honourable member for Tony Benn South.

Meacher saw the 1.25m votes of the Transport and General Workers sway majestically his way on Monday, a move which —on the view of both camps— put him neck and neck with Roy Hattersley. The decision was taken by 19 votes to 17 by the union's 37-man general executive committee. On Tuesday, the cup slipped down from his lips a little.

A telex was sent from TGWU headquarters to all regional officials, stressing that the GEC's decision was only a "recommendation" as far as the union's delegation to the Labour Party conference was concerned. This directly contradicted advice given to the press by Mr Larry Smith, the union's executive officer and spokesman.

Mr Meacher's goblet slipped to his lap on Wednesday, when Mr Moss Evans, the union's general secretary, made a rare radio broadcast in which he advised the nation that yes indeed, it was a recommendation only, not binding on the delegation, neither Mr Hattersley nor Mr Meacher could know who would emerge victorious "and neither do I." The cup was shattered on Thursday when Mr Evans rubbed the point home at a news conference, quoting chapter and clause.



Hattersley and Meacher: who will get the barons' vote?

The fact is that the constitutional position remains doubtful. The rules do not provide for the union's role in Labour's electoral college (it has a massive 8.5 per cent): though custom and practice dictate that the GEC's decisions on matters political are only recommendations, the rules do give sweeping powers to the GEC and a motion carried by the union's conference in July would appear to give the GEC "authority for the nomination of leader, deputy leader and treasurer of the Labour Party."

The fact also is that, as Mr Evans well knew, the union was in turmoil over the GEC's decision. Union officials out and among the membership were fiercely lobbied and implored to switch the union to support for Hattersley. The powerful regional secretaries were outraged. Some of those who had voted for Meacher were reportedly, regretting their choice. The fuorore points firmly to a delegation decision for the Kinnock-Meacher dream ticket—though, with the TGWU, anything can happen.

Last year, the GEC voted to defy the ban on the Militant editorial board—the delegation voted to support it. The previous year, the union had a rather limited consultation of its membership on whether they wished Tony Benn, Denis Healey or John Silkin (a TGWU sponsored MP) to be Labour's deputy. Healey emerged favourite among the members, so the delegation voted first for Silkin, then when he dropped out, for Benn. The GEC's decisions always mean that this relatively unknown body of men grabs the pre-conference limelight— perhaps the reason why they do it.

Seriously wanting to be rich

One night in a London hotel this week, a hundred or so people were asked to close their eyes and say over and over to themselves: "I am rich and wonderful."

Shortly before, egged on by seminar leader Jerry Gillies from the U.S., they had sung a song called The Road to Prosperity. The chorus, accompanied by the heavy beat of a rock tape, went:

"I love myself . . . I'm on my way
I'm getting richer every day
I love money . . . money loves me
I'm on the road to prosperity."

The audience sung with gusto, plainly convinced by Gillies's stagey combination of salesman's and showbiz techniques. Hard work is fine, went one verse. "But getting paid for fun and play is far more satisfying."

That, basically, is the message put over by the 43-year-old Gillies, a former journalist who has prospered by giving his own courses in the U.S. and is holding his first sessions in Britain this week-end. Wednesday night was a three-hour taster for the full two days and three evenings of Moneylove Training, costing just over £100.

"It is much easier to be successful than to fail," he said at the start. "You really have to do a lot of stupid things over and over again to fail." He asked everyone to close their eyes and visualise what they wanted to happen to them in a year's time.

Everyone did this. He asked if anyone had something they wanted to "share" with the rest. "I should like to see my novel published and immediately successful," said one woman. A man, speaking in the spirit of what Gillies calls Prosperity Consciousness, was more demanding: "£10,000 in the bank, a BMW, a house in Chelsea, and a child."

Gillies, who sailed over on the QE2 and is buying a £580 Savile Row suit in London, says his strategies work for those who believe them. Course participants will receive a workbook with a full follow-up programme.

He believes in "creative leisure" and has put his ideas into a glibly written book called Moneylove, which has sold 650,000 copies in paperback. Next year he will be back and the course will cost more. He also plans to visit the Far East and Australia.

So, if you want to be rich in mind, spirit and bank balance, ponder the following Gillies dictum: "It it doesn't increase my profit, pleasure, or knowledge, it isn't worth doing."

Shortlist for the Booker word processors

Entrants in the steeplechase for Britain's most prestigious annual literary award galloped frantically to a critical fence this week. Nearly all—97 novels, 97 authors, 40 publishers—came to grief. Only six thunder on to an overheated finish—the 15th Booker McConnell Prize for Fiction, to be awarded on October 26. This year's judging panel, chaired by Fay Weldon, declared the 1983 shortlist on Wednesday.

Malcolm Bradbury, chairman of the Booker judges in 1981, is in the running himself this year, for *Rates of Exchange*. The South African, J. M. Coetzee, author of *Waiting for the Barbarians*, is shortlisted for *Life and Times of Michael K*, to be published on Monday. The head of publicity at Secker and Warburg, Beth Macdougall, is pretty pleased with her own life and times this week: "We've never once had a novel on the Booker shortlist. Suddenly, we've got two."

Flying to Nowhere is flying to somewhere—certainly to somewhere—certainly to bigger sales—for John Fuller, and Graham Smith's *Waterland* did not bog down. *The Illusionist*, a novel based on the shady life in ancient times of the sorcerer Simon Magus, a character first featured in Act viii, verses 1-24, may perform more magic for Anita Mason; maybe even a miracle. And Salman Rushdie, winner of the 1981 Booker Prize with *Midnight's Children*, makes a characteristically distinctive leap into this year's list, with *Shame*. In a literary event increasingly encrusted with public attention and media ballyhoo, a suspicion exists that a certain degree of hype attaches itself to certain books. But it is no shame to Mr Rushdie that *Shame* hit the top of some bestseller listings this week. It is a powerhouse of a novel, set in Pakistan.

The Prize was first awarded in 1969. £5,000, funded by the Booker McConnell group of engineering, shipping, and marketing interests, which include the ownership of copyrights. The National Book League has administered it since 1971. In 1978 Booker doubled the sponsorship: at £10,000, twice as valuable as the Sinclair Prize, its nearest and newest stablemate in the studfarm of fiction awards.

Inevitably, controversy over entries, shortlisted authors, and winners has raged from the beginning. Written words of contemporary creative imaginations are not comfortably—still less objectively, never finally—assessed; £10,000 is serious money. A Booker judge, dodging literary dum-dum shells in devotion to duty and determined discretion, earns eyestrain and exhaustion of critical faculties with a fee of £500. Libby Purves, this year's youngest judge and, as she admits, "the one with the shakiest literary credentials," felt "stirrings of paranoia" as well as relief in compiling the shortlist. "This is a dreadful moment."

Short of a tie, only one novel will win; but all will do better in the commercial race which jostles creative sensibilities. Rave reviews do not generate reprints. The Booker does: before the 1981 award Midnight's Chidlren had sold just over 3,000 copies; two weeks later more than 10,000 copies had been distributed. Of the six authors shortlisted last year, all but one have had their novel reprinted at least once. Now read on. Ladbroke's will open a book, as usual.

Contributors:
John Lloyd
Andrew Fisher
Gay Firth

Hall Engineering falls to £2.9m at interim stage

TRADING CONDITIONS affecting most of HALL ENGINEERING (HOLDINGS) activities in the UK and South Africa continued to deteriorate in the first half of 1983, the directors state.

Turnover rose from £56.25m to £58.38m but trading profits fell by just over £1m to £1.74m.

The pre-tax result emerged down at £2.86m against £3.41m after a lower contribution from associates of £1.86m compared with £1.47m. Interest charges were slightly lower at £738,000 (£844,000).

The directors say that the benefit arising from the recent rationalisation programme in the UK is now coming through. However they do not expect the results for year as a whole to be significantly different from those of last year.

For 1982 pre-tax profits totalled £5.42m (£6.62m), on turnover of £107.57m (£90.54m), with £2.01m (£3.06m) earned in the second half.

The interim dividend is maintained for the fuorth year in succession at 3.41p. Last year's total was 7.61p with an unchanged final of 4.2p.

● comment

Hall's performance is not as grim as it looks, considering that pre-tax profits were actually up 43 per cent against the second half of 1982. However, margins have slipped a couple of points and the group is determinedly pessimistic about the future trading conditions. Price competition has been particularly fierce in reinforced concrete and BRC has only just broken even. Steel stockholding made a marginal profit, so it looks as if the bulk of the parent's contribution came from the Shrewsbury Tool and Die automated assembly line business and the Hall and Pickles tool manufacturing division. The former is probably the only growth area in Hall, apart from its associates in expanding economies in the Middle and Far East. These accounted for 65 per cent of profits, and the group's policy is to protect itself against stagnation in its traditional markets by increasing its dependence on these areas. The benefits of Hall's recent cost-cutting drive at home should be enough to push up taxable profits marginally to £5.8m for the year, which leaves the shares at yesterday's price of 120p, down 2p, on a prospective p/e of only 4.5, assuming a 37 per cent tax charge. Meanwhile, the maintained dividend yields 9.3 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Blue Bird Confect.	3.28	Oct 29	3.12	4.73	4.57
Dinkie Heel .... int	0.2	—	0.15	—	0.4
Hall Engineering ... int	3.41	Nov 11	3.41	—	7.61
Liberty .... int	1	—	0.4	—	3
Maynards	6.63	Nov 18	6.63	9.75	9.75
Milbury	3.68	—	2.45	4.9	4.9
Northern Goldsmiths int	1.85	—	0.85	—	0.85
Ruo Estates .... int	2	Oct 28	—	—	4
Westminster & Country	3.75	—	3	6	5

Dividends shown pence per share net except where otherwise stated.

Maynards hit by second half loss

SECOND HALF losses of £346,000, compared with profits of £443,000, have left Maynards with a lower taxable-surplus for the year ended June 30 1983.

Struck after much lower exceptional credits of £131,000, against £764,000, the pre-tax figure of this confectionery, tobacco, toys group amounted to £1.05m (£1.8m), on turnover nearly £4m behind at £63.61m (£67.53m).

Earnings per 25p share are shown well down at 14.69p (29.36p), after tax £327,000 (£366,000), but the dividend is maintained at 9.75p net with a same-again final of 6.625p.

The reorganisation of the confectionery division was implemented during the two months after the peak trading period of Christmas and New Year, and became effective during March.

Given the plans for the current year and the reorganisation already carried out, they are confident that the group can achieve improved results and thereby justify a resumption of its policy of increasing the dividend.

The exceptional credits comprised a £547,000 (£902,000) net surplus on property sales; £33,000 debit (£35,000) on goodwill on businesses acquired during the year; reorganisation, redundancy and other costs, £383,000 (£103,000).

George Wills

As anticipated, first half profits of importer and exporter George Wills & Sons (Holdings) were adversely affected by trading conditions in the import division.

However, the situation is now improving and results for the second six months should be better than the £620,000 (£380,000) pre-tax returned for the opening half and long-term prospects for the group remain "encouraging."

Meanwhile, the net interim dividend is maintained at 2.5p from earnings of 5.64p (6.47p) per 25p share. First half turnover improved from £41.2m to £42.7m.

Brengreen bubble to burst says Sunlight

BY RAY MAUGHAN

WITHIN 24 hours of posting its formal offer for Spring Grove, in the face of the counter, shut-out, bid from Pritchard Services, Sunlight Service Group despatched its defence against the £31m bid from Brengreen.

Part of the defence rests with the case Sunlight presents to its shareholders for maintaining their investment. The group "has an excellent growth record," it says, "which will continue."

It adds that Sunlight, unlike Brengreen, "can already offer a comprehensive range of services necessary to take full advantage of the opportunities offered by privatisation."

But, since this complicated whirl of laundry and cleaning mergers is to be funded by equity and only partly by cash underwritten offers, Sunlight devotees as much if not more space in an attack on Brengreen, its profits record, its expertise and, above all, its share price record.

Brengreen, trading yesterday at 104½p, down 1½p, is making an offer whose "capital value is illusory." Sunlight asserts. "It is based on over-rated, PR—inflated paper. The bubble will surely burst."

Sunlight informs its shareholders that "your risk in accepting Brengreen shares is accentuated because the shares are currently rated at an inordinately high level in relation to other companies in the industry, having less than half the net tangible asset backing, less than half the dividend yield and almost twice the historic full tax price earnings ratio."

So much for the benefits of PR. As of its own record, Sunlight says that its performance has set new records over the past five years to show 28 per cent compound growth in pre-tax profits, 24 per cent growth in earnings per share and 31 per cent growth in dividends per share.

Turning to the issue of privatised hospital ancillary services by which, in a recent DHSS circular, support services must be put out for competitive tender from Regional Health Authorities, Sunlight claims that it is much better placed in this market than Brengreen.

"Apart from catering, Sunlight already provides the full range of services applicable to health service privatisation contracts. Brengreen does not.

As the defence sees it, Brengreen is lacking in areas likely to be affected by the privatisation issues such as school and college laundry, hospital catering services, hospital laundry, hospital textile rental and hospital security services.

Applying what Sunlight sees as comparable accounting policies in respect of pre-contract development spending, the defence calculates that its own shareholders would be contributing 68 per cent of pre-tax profits to the merged group, 57 per cent of net tangible assets in return for 43 per cent of the combined equity.

It says that shareholders' income would drop by 43 per cent if they accept the all equity offer or by 6 per cent if the proceeds of the cash alternative were re-invested in the FT Actuaries All Share Index.

HENLYS

Gregory Securities has beneficially purchased, for its own right through the Stock Exchange, a further 140,000 Henlys ordinary shares, between September 16 and 22.

This has increased its holding to 895,000 shares (6.39 per cent) andt he holding over which Alton House exercises control to 1.41m shares (10.03 per cent).

HAWKINS & TIPSON

Acceptances to the offer from Evered Holdings for Hawkins & Tipson, have been received in respect of 88,822 shares (1.02 per cent). Prior to the offer, Evered held 29.99 per cent and neither the company nor any party acting in concert with it, has purchased any Hawkins's shares during the offer period.

Evered now has rights over 31.01 per cent of Hawkins. The offer has been extended until October 13.

LONRHO

Lonrho, the international trading conglomerate, has reached agreement with the Government of the Bahamas through its wholly owned subsidiary Princess Casinos for Princess to operate a casino at Freeport in the Bahamas. Lonrho plans a $13m renovation of the casino complex.

CAPARO LIFTS STAKE IN BROWN & TAWSE

Caparo Industries, the steel stockholding, industrial services engineering and property group has increased its stake in Brown & Tawse, steel, tube stockholder and engineer, from 5.3 per cent to 8.2 per cent.

Earlier this year Caparo took over Barton Group, the Birmingham-based tubing, industrial services and engineering group for £9.3m.

Yesterday shares in Brown & Tawse closed 2p up at 94p.

CASTLEFIELD (KLANG)

Castlefield (Klang) Rubber Estate, the Malaysian rubber and oil palm producer, is to withdraw from the proposed development of its Selangor rubber estate for housing, shopping and industrial use.

Klang is to sell its remaining 21 per cent share in Castlefield Development, the company set up to provide the infrastructure of the development, to the other, partner, Kumpulan Syed Kechik, for M$15m (£4.25m).

Uncertainties over the phasing of the development and the return on the investment are the reasons for the sale, Klang said.

Klang and Kumpulan originally plans in 1980 to develop the 1,918 acre Castlefield Estate at Selangor on the Kuala Lumpur boundary, with the two companies taking holdings of 30 and 70 per respectively. Klang has since reduced its holding to 21 per cent.

Klang estimates there will be a profit of £2.3m from the sale after providing for tax on the capital gain and at current exchange rates.

The deal involves the sale of Klang's holding of 2.61m shares of M$1 each for cash. Ten per cent of the purchase price has been paid with the balance to come on completion, expected to be June 25 1984.

The agreement is conditional on the approval of the Malaysian Foreign Investment Committee and of the Bank Negara for remittance of the sale proceeds.

RHP GROUP

RHP Group has sold the assets and goodwill of the printed circuit board activities carried on by its subsidiary, Technograph and Telegraph. They have been acquired by an associate of Electropac Co. Inc. of Manchester, New Hampshire, U.S.

The remaining business of T & T in micro electronics circuits continues to operate under the name Technograph Microcircuits, from its new purpose-built high technology premises at Bracknell.

May & Hassell buys rest of Hallam

TIMBER GROUP May & Hassell yesterday agreed to acquire Meyer International's 50 per cent interest in system buildings manufacturer Hallam Group of Nottingham for a nominal consideration.

As a result May & Hassell will hold all the issued ordinary capital of Hallam.

At the same time as the deal was announced Hallam reported reduced losses of £134,000 for the first half of 1983, compared with £218,000. These were struck after depreciation of £161,000 (£151,000) and interest charges of £70,000 (£104,000).

Turnover edged ahead from £6.05m to £6.06m. There was again no tax payable.

The Hallam directors say the system building division commenced the year on temporary short-time working. Since February, business has increased and progress is being made. The plastics division continues to maintain progress.

Mr R. E. Groves, chairman of Meyer, said: "The activities of Hallam are not similar to those of my company and both groups are of the opinion that the future of Hallam would be better controlled by one group."

UNITED NEWSPAPERS

United Newspapers' shareholders have approved the acquisition of Gralla Publications Inc. for an initial cash consideration of $44m (£29m) to be financed principally by a rights issue.

Provisional allotment letters in respect of the rights issue, which has been underwritten by Samuel Montagu & Co., have been posted to UN ordinary shareholders.

ILLINGWORTH MORRIS

Acceptances for the Abele offer for Illingworth Morris have been received in respect of 510,771 ordinary (5.11 per cent) and 406,528 A ordinary (1.35 per cent) stock units of 20p each. Prior to the offers, Abele owned 4.82m ordinary (48.23 per cent) and 14.28m A ordinary (47.55 per cent) stock units of 20p each, which means that Abele now controls 5.33m ordinary and 14.69m A ordinary stock units of 20p each representing 53.34 per cent and 48.92 per cent of the ordinary and A ordinary stocks units respectively. The offers are therefore declared unconditional in all respects and they will remain open until further notice.

Interest cut aids Newman Inds.

A REFINANCING package undertaken by Newman Industries in the first quarter of 1983, involving a cash injection of £8.3m, is beginning to have its desired effect on borrowings.

Pre-tax profits for the six months to June 30 1983 rose from £0.64m to £1.59m, with 70 per cent of the increase attributable to a reduction in interest charges from £2.02m to £1.36m.

At the time of the refinancing approval it was forecast that interest payments for 1983 would fall to £2.4m. For 1982 interest was £3.82m (£4.65m) and taxable were made after a £290,000 loss was incurred in the second half.

Turnover of this fastenings, engineering and electric motors group fell from £37.67m to £35.8m during the opening half. For the whole of 1982 turnover fell to £72.37m against £77.98m.

The directors say that Avdel has bettered its performance in both sales volume and trading profit, and see a gradual improvement in market conditions.

Further, they add, the recent release of funds for capital investment will enable Avdel to hold and improve its market strength.

The electric motors division, after a slow start, benefited from certain export contracts. This will continue in the second half, they add.

They say that the overseas companies have found trading difficult, and have only just seen some revival in their markets.

Net profits for the interim period were £1.04m against £330,000 after tax of £546,000 compared with £308,000. Extraordinary debits totalled £131,000 (£399,000), and there was an unrealised exchange loss of £179,000 which was taken direct to reserves.

Ordinary shareholders are still without a dividend, the last being an interim of 1.5p paid in respect of the 1979 year.

Westminster & Country advances to £0.71m

FOLLOWING an increase at midway from £215,000 to £246,000 taxable profits of Westminster & Country Properties finished the April 30 1983 year ahead at £709,000, compared with £621,000.

After tax of £87,000, against £71,000, earnings per 25p share are shown as 18.7p (16.6p) and the dividend is lifted from 5p to 6p net with a final distribution of 3.75p.

Group turnover for the 12 months slipped from £5.04m to £4.8m.

The directors say that prospects for the current year appear satisfactory.

Pre-tax figure for 1982-83 included higher net rental income of £501,000 (£444,000), profit on the sale of developments of £832,000 (£782,000), less the cost of borrowings £624,000 (£605,000). Net borrowings at the year end were £47,000 lower at £3.87m.

In the opinion of directors, the value of the company's completed developments exceed their book value by £1.15m, giving a net asset value per share of 130p.

● comment

Small is beautiful is a philosophy which appears to work for Westminster and Country Properties. It concentrates on small shop and office schemes (with a little industrial to benefit from building allowances) and rarely strays north of the M4 line. It dipped its toe into the U.S. market in Denver and New York, didn't like the result and decided to pull out writing off the cost at £170,000. Its 13,000 sq ft office development in Slough is letting well with 3,000 sq ft gone at £15 a sq ft. Three shops have been let and sold at Shirley, Littlehampton and Peignton. Rental income continues to rise as more property is held for investment. Net assets per share have risen by 23 per cent. Borrowings at £3.87m compare with shareholders' funds of £3.174m plus a £1.1m valuation surplus. The shares up 2p at 112p yield 8 per cent.

General Investors

Net revenue of General Investors and Trustees, investment trust, increased from £613,000 to £733,000 during the six months to July 31 1983.

The interim dividend is stepped up by 0.25p to 1.5p net per 25p share. Earnings for the period rose to 2.4p against 2p.

Total revenue for the period was £1.71m compared with £1.49m. Franked income was £737,000 (£702,000) and unfranked income £630,000 (£525,000). Trading profit on land was £165,000 against £76,000 and other income added £179,000 compared with £184,000.

Net revenue was struck after tax of £457,000 (£348,000), and management expenses and interest of £521,000 (£526,000).

The net asset value per ordinary share at July 31 was 165.8p (118.7p), prior to charges at par, and 167.3p (118.5p) prior to charges at market value. At January 31 1983 the respective values were 144.2p and 145.7p.

Dinkie Heel

Safety toe caps and shoe repair components maker Dinkie Heel slipped from taxable profits of £57,000 to £55,000 in the first half of 1983, on higher turnover of £955,000, compared with £920,000.

However, the interim dividend is being lifted from 0.15p to 0.2p net per 5p share. For 1982 a total of 0.4p was paid from taxable profits of £125,000.

The directors report that the hoped for improvement in the home market for safety toe caps did not materialise and sales are still disappointing. The supply of other components to the shoe repair and manufacturing trades has continued to improve.

Overheads have been reduced following the sale of the company's Kingswood factory.

Future growth will depend on the development of overseas markets and much effort is currently being directed towards this objective the directors add.

Blue Bird

Full year taxable profits of Blue Bird Confectionery Holdings fell from £377,722 to £206,388 with turnover down slightly at £9.22m against £9.23m.

However, the dividend total is lifted to 4.73p (4.57p) by a higher final of 3.28p (3.12p).

The trading surplus fell from £631,358 to £565,148, and the pre-tax result was struck after depreciation £199,496 (£191,171), interest £143,772 (£62,465), and property sale profits this time of £67,605. There was also an exceptional debit, being compensation to former directors, of £83,097 (nil).

The outstanding success of Gold Bullion Toffee was too late to have an impact on the results for the year, the directors state.

They say that in a major departure from previous years, the company has started a fairly heavy advertising campaign, particularly on television, which inevitably affected short term profits.

Tax for the 12 months was £87,577 (£89,263).

Astbury & Madeley

For the first six months of 1983 Astbury & Madeley (Holdings) pushed its profits up by £100,000 to £630,000 at the pre-tax level and is raising its net interim dividend by 0.125p to 1.375p.

The directors say that if group profits are maintained in the second half they anticipate proposing an increased final—last year 3.75p was paid.

The profit increase was due to a greater concentration on higher margin business, more effective buying and a strict control of overheads. Turnover for the half year slipped to £6.21m (£6.33m).

However, current turnover shows an improvement over last year and the directors are hopeful that the first-half results will be exceeded in the second half.

P. & W. Maclellan

Although the directors of P. and W. Maclellan say that the first half of 1983 is a disappointment, with pre-tax profits down from £97,000 to £21,000, they point out that current trading leads them to expect profit for the second half to exceed the profit for the whole of 1982.

In the last full year pre-tax profits of this industrial and agricultural supplier stood at £317,000.

The net interim dividend has been held at 0.5p—last year a final of 1p was also paid. Earnings per 20p share were shown as slipping from 0.99p to 0.25p.

Turnover for the six months moved up from £3.18m to £3.31m.

Lorlin Electronics

In the first half of 1983 electrical and electronics switches and connectors manufacturer Lorlin Electronics advanced from pre-tax profits of £155,000 to £287,000, and is thus well on the way to meeting its Unlisted Securities Market placing forecast made in April of profits in excess of £400,000 for the year.

However, the directors point out that these figures represent a rise in the profit margin from 14.09 per cent to 21.74 per cent, and this level is unlikely to be maintained in the second half.

Turnover moved ahead from £1.1m to £1.32m, and based on current order intake, sales growth will be maintained and possibly increased the directors say.

The forecast in the prospectus of a 1p net dividend for 1983 is reiterated but there is to be no interim payout. USM expenses will be dealt with in the audited final statement for the year.

Robert McBride

Robert McBride (Middleton), a subsidiary of the British Petroleum Company, returned pre-tax profits little changed at £2.18m, compared with £2.2m, for the period January/June 1983.

Turnover improved to £13.09m (£10.77m)—the company manufactures domestic bleaches, detergents and toiletries. Net assets totalled £10.96m (£11.42m).

Following the acquisition of Hugo House Beauty Products for £2.75m, goodwill amounting to £1.6m was written off against reserves during the six months.

Liberty

Retailer, merchant converter, and wholesaler Liberty has reversed its trend of losses in the first half with an interim taxable surplus of £94,000, compared with a £459,000 loss. Last year's total surplus was £747,000.

The interim dividend of this close company is more than doubled from 0.4p to 1p net; last year a final of 2.6p was paid.

Sales for the period to July 31 1983, were £4.33m higher at £15.77m, and trading profits emerged at £287,000 (loss £238,000). In UK retailing there was a £358,000 turnround into profits of £182,000 and converting and wholesaling recorded profits of £295,000, compared with a £2000 loss.

Elsewhere, the contribution from EEC countries was £4,000 higher at £34,000, but losses in the U.S. rose from £20,000 to £199,000.

The pre-tax result was also after printing losses of £43,000 (nil) and net rents from properties £18,000 (loss £70,000).

Tax took £189,000 (£25,000) and extraordinary items, being net proceeds from the disposal of a public house, added £250,000 (£20,000) to give an attributable surplus of £155,000 (loss £464,000). The loss per share is

Milbury

Pre-tax profits of housing development concern Milbury amounted to £551,129 for the year ended March 31 1983. This is compared with £634,244 previously which was after exceptional debits of £379,397.

After a tax charge of £15,771 (£420,097 credit) earnings per 25p share are virtually halved at 9.47p (18.64p), but the dividend is maintained for the year at 4.9p with a final of 3.675p (2.45p).

Turnover of this St Pirian subsidiary rose from £16.13m to £17.27m and goodwill written off amounted to £24,968 (£511,892).

Thomas Marshall

Although the interim results of Thomas Marshall (Loxley) showed an "earlier-than-expected" recovery—losses at the pre-tax level were cut from £240,000 to £23,000—the cost of

exceptional expenditure was high and the decision to resume ordinary dividends "must await confirmation of continued recovery at year-end."

Last year an interim of 1.2p was paid, but the final was passed.

The chairman says there has been no significant upturn in demand, but selectivity in the acceptance of orders led to improved results from lower turnover—£7.49m, against £7.9m for the six months to end-June 1983. The group manufactures fireclay refractories.

Considerable progress has been made in eliminating losses at the Sheffield works.

Loss per 25p share for the six months amounted to 0.29p (2.16p).

J. Edward Crowther

Profits of yarn spinner John Edward Crowther (Holdings) moved ahead from £475,747 to £510,214 for the year ended March 31 1983, and were subject to a tax charge down slightly to £162,101 compared with £175,200.

Regentcrest

A fall into pre-tax losses of £71,000 has been shown by Regentcrest, Belfast-based property investor, for the year to the end of April 1983, which compares with previous profits of £51,000. Exceptional debits increased sharply from £50,000 to £119,000.

Group turnover slipped from £1.8m to £1.11m.

The loss per share was shown as the same again at 0.3p—a lack of distributable reserves prevents payment of a dividend. An investment with Exchange Securities and Commodities has been the subject of a provision, depleting shareholders' reserves by £81,000 after tax relief.

The year under review is described as "active" by the directors, although the company did not have benefit of £1.5m which was on deposit last year. Prospects are viewed with optimism.

S. W. Wood

Including a £186,000 provision for a doubtful debt in respect of a major customer, pre-tax losses of S. W. Wood Group, non-ferrous metal merchant, amounted to £343,000 for the year ended March 31 1983. This is compared with £953,000 last time which included £310,000 costs and provisions for claims in respect of two disputes with customers.

Turnover was down from £15.76m to £14.38m and again there is no dividend.

There was no tax (same) and after an extraordinary debit of £63,000 (nil) the attributable loss was £406,000 (£953,000) or 5.9p (16.4p) per share.

Group Investors move upsets shareholders

A MOVE by Group Investors, the investment trust, to replace its investment managers has sparked a row among shareholders following the annual meeting of the trust this week.

At the annual general meeting Mr David Davenport, chairman of Group Investors, told shareholders that the board had decided to appoint C. S. Investments as managers from October 29. C. S. Investments replaces Gartmore Investment Management.

Shareholders were told that the sale of a controlling interest in Gartmore Investment Management to Exco International had become unconditional in August.

"The full implications of this move for the future management of the company are not yet entirely clear," said Mr Davenport, "although we know that Sam Stevenson who has represented Gartmore in its dealings with the company for many years and who has made a major contribution to our successful record, will no longer be acting in that capacity, although he will naturally continue as a member of the board."

"At this stage I can only assure shareholders that the board is giving urgent consideration to the course of action that should be taken in the best interests of the company."

The group announced that C.S. Investments had been appointed managers and secretaries to the company from October 29 in succession to Gartmore Investment Management. C.S. Investments is an investment management company formed by Mr E. O. Crawford and Mr S. Stevenson, both ex-managing directors of Gartmore Investment Management.

Shareholders are concerned that the change in investment managers has not been put to them for their approval. Representatives of Save and Prosper have been in touch with the chairman, and it is now understood that Group Investors intends to write to shareholders about the change in its managers.

Results due next week

A major profits advance is expected from the construction group John Laing when its publishes its results for the six months to June 30, on Thursday. The group has seen the last of the hefty overseas losses which had such a painful impact on last year's performance. The Venezuelan contracts should have been completed and overheads have been slashed in Spain following management changes there. House building should show around a 40 per cent increase in sales, with profits rising slightly ahead of that figure thanks to price improvements. The products and trading division should begin to show the benefits of its recent slimming. On this basis, pre-tax profits look in line to double to around £8m and dividends should show a substantial increase on the last interim's 1p net.

George Wimpey should also show a sharp increase in private housing volumes when it announces its figures for the six months to June 30 on the same day. However, outside forecasters warn there could be some loss of margin on that side—except in the U.S.—due to a squeeze on prices and heavy promotional costs. Meanwhile, technical problems at the Highland Fabricators associate could *bring in some significant losses.* Work-loads remain under pressure on the international contracting side and margins on new work are likely to be very tight. Nevertheless, the consensus is still for a respectable increase from £6.2m to £8m pre-tax. As in the past Wimpey is likely to wait until the year end before making a decision on increasing the dividend.

NEI's long lead times means that the group's profit figures are *chiefly of historical interest* and the real key to its performance lies in the size of the order book. *Analysts are looking* for an increase in taxable profits from £18m to £22m when the group *publishes its results for the six* months to June 30 on Tuesday. The order book looks strong, especially on the power generation side, which is underpinned by the Heysham and Torness projects. The profits advance should also reflect the benefit of cost cutting throughout the group, particularly at Extel, which is expected to be back in the black in 1984. Meanwhile, NEI's Cranes' new products have left it well placed to respond to an *improvement in trading* conditions. An increase in the net dividend from 1.5p to perhaps 1.7p looks on the cards.

Inchape's interim results for the six months to June, due to be announced on Tuesday, should show pre-tax profits fractionally up at around £25m, against £24.3m last year. Most of the group's divisions will be turning in fairly flat figures—Inchcape Berhad—in SE Asia has already reported profits slightly down, and the Hong Kong subsidiary is going through a difficult trading period. The trading position, however, should be brighter, as should the Middle East subsidiaries results. Overall, the group should benefit from the absence of redundancy costs and stock writedowns included in last years interim figures. Interest charges should also drop a bit. The group has recently been disposing of some of its peripheral subsidiaries and reorganising the main group, but analysts do not expect the results of this new strategy to come through until 1984 at the earliest.

Tootal's interim profits for the six months to July 31, to be announced on Friday, are expected to be slightly down on the comparable figure. Analysts are looking for around £4.8m pre-tax, against £5.1m. The main reasons are a continued downturn in Australia, and reduced exports to Nigeria. For the year as a whole the market is, however, looking to Tootal to bear last year's £15m by up to £2m. A volume recovery in the U.S. and a reduction in the interest charge are thought to be factors in the projected improvement. Nevertheless, Tootal has disappointed some forecasters in the recent past—and the main support for the shares is currently a 10 per cent prospective year.

Other results due include interim figures from both Harris Queensway and House of Fraser on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Bailey, Ben (Construction)	Wednesday	0.25	0.56	0.4
Baltic Leasing Group	Tuesday	—	—	—
Casket, S. (Holdings)	Thursday	0.5	1.25	0.5
Cocksedge (Holdings)	Friday	—	—	—
Emess Lighting	Wednesday	3.0	4.5	3.25
Fitzwilton	Friday	2.0	1.5	1.0
Galliford	Wednesday	0.7	2.0	0.7
Home Farm Products	Wednesday	1.15	1.75	1.15
HTV Group	Wednesday	4.0	7.0	4.0
Lawrie Plantations	Wednesday	—	—	—
Link House Publications	Monday	3.8	8.5	4.5
Mills and Allens International	Wednesday	6.0	16.0	4.0
Northern Industrial Improvement Trust	Wednesday	2.0	6.0	2.0
Parker Knoll	Monday	2.5	5.0	2.5
Raglan Property Trust	Monday	—	—	—
Ramar Textiles	Tuesday	—	0.625	—
Scottish and Mercantile Investment ...	Monday	2.5	4.4	2.0
INTERIM DIVIDENDS				
Aberdeen Construction Group	Thursday	2.6	5.4	
APV Holdings	Thursday	2.8	7.7	
Arncliffe Holdings	Tuesday	1.12	1.54	
Associated Book Publishers	Wednesday	2.0	4.5	
Aurora	Wednesday	—	—	
Beauford Group	Thursday	1.4	2.1	
Bentalls	Thursday	0.3	1.3	
Biddle Holdings	Tuesday	2.4	7.6	
Brent Chemicals International	Tuesday	0.8	1.9	
Bridgewater Estates	Thursday	2.25	7.25	
Camellia Investments	Monday	3.0	4.0	
Clyde Petroleum	Thursday	—	0.605	
Combined English Stores	Tuesday	1.49	0.33	
DRG	Wednesday	3.0	3.0	
Eastern Produce (Holdings)	Wednesday	1.4	3.5	
Estates and General Investments	Tuesday	0.7	1.2	
Finlay, James	Thursday	2.0	2.9	
Finlay Packaging	Thursday	0.5	1.75	
Grampian Holdings	Thursday	1.5	3.0	
Harris Queensway	Thursday	1.67	4.0	
Hoskins and Horton	Tuesday	2.0	4.0	
House of Fraser	Thursday	2.0	5.5	
Hurst, Charles	Friday	1.33	2.25	
IDC Group	Tuesday	1.464	4.658	
Inchcape	Tuesday	7.15	11.0	
Jenks and Cattell	Tuesday	0.5	0.6	
Laing, John	Thursday	1.0	1.875	
Leyland Paint and Wallpaper	Thursday	—	—	
Lilleshall	Thursday	—	1.0	
Macallan-Glenlivet	Friday	4.7011	2.25	
Menders (Holdings)	Wednesday	1.4	4.8	
Metalrax	Monday	0.63636	1.45454	
Miles 33	Tuesday	—	2.0	
Moss Bros	Wednesday	1.05	2.5	
Neill, James	Wednesday	—	—	
Northern Engineering Industries	Tuesday	1.5	3.25	
Planet Group	Monday	0.7	1.6	
Riley Leisure	Wednesday	2.6	1.6	
Southampton, Isle of Wight and South of England Royal Mail Steam Packet	Friday	2.5	6.5	
Stylo	Friday	—	3.5	
Suter	Thursday	0.5	1.25	
Tilbury Group	Wednesday	1.2	2.8	
Tomatin Distillers	Tuesday	—	—	
Tootal Group	Friday	1.1	1.26	
Travis and Arnold	Monday	1.4	4.05	
Tronoh Mines Malaysia Berhad	Tuesday†	30.0	60.0	
Watmoughs (Holdings)	Tuesday	1.41667	3.79167	
Wiljay	Monday	1.155	1.25	
Wilkes, James	Tuesday	1.5	2.8125	
Wimpey, George	Thursday	0.77273	1.95455	
INTERIM FIGURES				
Arbuthnot Dollar Income Trust	Friday	—	—	
Central Independent Television	Wednesday	—	—	
Gee, Cecil	Wednesday	—	—	
London and Continental Advtg. Hldgs.	Tuesday	—	0.2	
Midland Industries	Friday	1.1	1.6	
Nimslo International	Tuesday	—	—	
Octopus Publishing Group	Tuesday	—	—	
Superdrug Stores	Thursday	—	—	
Thomson T Line	Monday	—	—	
Wingate Property Investments	Wednesday	—	—	

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † In Malaysian Dollers.

Take-over bids and deals

UBM rejected an increased offer worth almost £76m from Norcros, stating that it did not reflect the true value of the company. Norcros is now offering one of its shares plus 130p cash for two UBM shares against the 5 shares and 517p for 11 UBM shares offered last month. UBM is to release profits and dividend forecasts after Norcros' new offer document is despatched.

Kennedy Brookes, the resturant and hotel group quoted in the Unlisted Securities Market, launched an agreed bid worth £7.6m for **Wheeler's Restaurants**. Kennedy Brookes is offering 52 of its own shares for every 25 Wheeler's valuing the latter at 500p per share. Holders of 62.8 per cent of the Wheeler's equity are committed to acceptance.

Pritchard Services increased its agreed bid for Spring Grove and the revised offer has gone unconditional. A rival offer for Spring Grove from **Sunlight Services** is worth substantially more and has not been withdrawn. Sunlight is itself the subject of a £31m bid from **Brengreen**.

Aitken Hume is offering $30m (£19.9m) for the U.S.-quoted investment management company **National Securities and Research Corporation of New York**. The terms are $27 per share and all existing shareholders will receive a special dividend of $1 per share. The proposed deal has the approval of both boards.

Dunlop announced details of its deal with **Sumitomo Rubber Industries of Japan** under which the latter is, inter alia, to buy most of Dunlop's European tyre businesses for £82m.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Baraoora	219	210	150	3.15	Finlay (James)
Branon	60*	58	58	1.84	Taddale
Drake and Scull	117½§§	109½	85	21.51	Simon Engineerg
Globe & Phoenix	70*	70	60	0.62	African Lakes
Hawkins & Tmpsn	85*§	40½	38	2.13	Evered
Huntleigh	215	218	203	30.88	Flight Refuelling
IllngwthMrrs Ord	14¾*§	17	18	1.33	Mr A. Lewis
Illngwth Morris A	10½*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	300††	80	1.02	Wasskon
Ins Cpn of Ireland	284§	270	224	I£5.94	Allied Irish
KCA Drilling	37*§	36	38	29.6	Rosshold

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Royal Worcester	290	315	275	19.62	Crystalate
Spring Grove	50*†	43½	48	16.58	Pritchard Services
Spring Grove	71½	43½	43	23.71	Sunlight Serv
Sunlight Serv	261	238	192	31.62	Brengreen Hldgs
Tecalemit	43¾	48	29	14.96	Siebe Gorman
Telfos	40*§	42	38	2.08	Plantation and Gen Ivs
UBM Group	130§§	127	99	76.22	Norcros
Westminster Prop	32½*§	32	32	9.85	Milbury
Wheeler's Rstrnts	514	480	485	7.71	Kennedy Brookes
Whittingh'm (W.)	130*¶	127	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 23/9/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Adwest	June	6,840	(5,970)	21.6	(18.7)	9.1	(8.25)
Armstrong	July	1,100L	(3,230)L	—	(—)	0.1	(0.35)
Barratt Dev	June	31,460	(24,930)	20.3	(21.7)	7.41	(6.18)
Bertram Hldgs	March	560	(392)	1.8	(0.9)	—	(—)
Branon	March	1,330L	(72)	—	(2.3)	—	(1.0)
Bristol	March	702L	(147)L	—	(—)	—	(—)
Christy Bros	June	210L	(—)	—	(—)	—	(—)
Compco Hldgs	March	292	(486)	5.4	(11.9)	3.6	(3.0)
Dalgety	June	52,500	(45,700)	44.4	(37.7)	22.0	(22.0)
Epicure Hldgs	June	450	(466)	4.0	(3.5)	2.13	(2.0)
Ferry Pickering	June	1,370	(1,470)	9.3	(11.8)	2.6	(2.6)
Gripperods	April	911	(724)	20.0	(15.9)	4.65	(3.5)
Ind Fin Inv Cpn	June	359	(255)	—	(—)	2.25	(—)
Kalamazoo	July	3,230	(519)	6.1	(0.6)	3.33	(2.6)
Mucklow A. & J.	June	4,840	(4,710)	6.8	(7.2)	4.5	(4.25)
Sheaf Bk Prop Tst	March	17	(3)	—	(—)	—	(—)
Utd Real Prop	April	2,990	(1,620)	—	(—)	8.0	(6.0)
Walker, James	April	110L	(1,960)L	—	(—)	1.0	(—)
Walker, Thomas	June	135	(42)	2.3	(3.8)	0.77	(0.71)
Worthington AJ	March	254L	(95)L	—	(—)	—	(0.76)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AI Industrials	July	202L	(284)L	—	(—)
Armitage Bros	July†	131	(69)	—	(—)
Bk of Scotland	Aug	27,500	(23,100)	11.5	(10.5)
BAT Industries	June	345,000	(351,000)	3.38	(3.13)
Beatson Clark	June	1,220	(1,664)	3.3	(3.3)
Berkeley Explor	June	130L	(513)L	—	(—)
Bifurcated Eng	June	171	(292)L	—	(—)
Blackwood Hodge	June	4,300L	(1,150)	—	(0.5)
Boase Massimi	June	603	(325)	2.0	(—)
Bodycote Intnl	June	452	(354)	1.5	(1.0)
Boustead	June	11	(229)	0.5	(0.5)
Breedon Lime	July	883	(602)	3.0	(2.63)
Brit Rayophone	June	1,000	(515)L	—	(—)
Brit Sidac	June	1,090	(883)L	—	(—)
Comtech	June††	683L	(430)L	—	(—)
Conder Intnl	June	5,230L	(432)	—	(1.5)
Cory, Horace	June	128	(203)	0.6	(0.6)
Cussins Property	June	705	(515)	2.2	(2.0)
Dares Estates	June	410	(105)	0.5	(0.5)
Dencora	June	240	(152)	—	(—)
Dunlop	June	2,000	(4,000)	—	(2.0)
Early's of Witney	July	171L	(185)L	0.32	(0.32)
Executex Clothes	June	152	(79)	—	(—)
Fisons	June	13,370	(9,060)	6.0	(5.0)
Garton Eng'g	June	78	(169)	1.0	(—)
Haden	June	3,010	(3,050)	2.25	(2.25)
Harrison Cowley	June	308	(281)	1.6	(1.5)
Jackson Expl	June	8,810L	(480)	—	(0.5)
Juliana's Hldgs	June	459	(287)	3.0	(—)
Laporte Ind	July	13,710	(9,570)	4.0	(3.5)
Lovell, G. F.	April	13	(32)L	—	(—)
Mackay, Hugh	June	102	(69)L	1.4	(1.4)
Memec	June	1,210	(845)	1.21	(1.1)
Menzies (John)	June	2,450	(1,200)	2.0	(1.6)
Minet Hldgs	June	12,020	(8,380)	2.73	(2.45)
Morrison (Wm)	July	4,250	(3,660)	0.5	(0.45)
Newarthill	April	10,720	(10,540)	—	(—)
NMW Computers	June	902	(306)	3.5	(—)
Owen Owen	July	630L	(2,840)L	1.0	(1.0)
Oyez	June	230	(114)L	—	(—)
Pittard	June	453	(75)L	1.38	(1.38)
Rans Simes Jeff	July	1,410	(709)	5.0	(3.14)
RMC	June	26,500	(18,100)	4.1	(3.7)
Rowntrees Mack	June‡‡	16,100	(13,700)	3.2	(2.9)
Rowton Hotels	June	175	(265)	3.15	(3.15)
Samuel, H.	June	890L	(1,690)L	—	(—)
Sandhurst Mktg	July	552	(355)	0.56	(0.43)
Tarmac	June	23,000	(20,100)	3.6	(3.2)
Tricentrol	June‡	8,800	(10,100)	2.8	(2.8)
U.S. Deb Corpn	July	4,380	(3,720)	2.25	(2.25)
Vickers	June	7,500	(10,200)	3.0	(4.55)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net per share except where otherwise indicated. † 28 weeks. ‡ Second quarter. †† Three months. ‡‡ 24 weeks. L Loss.

Scrip Issues

Breedon Lime—1 for 4 scrip issue.
Epicure Holdings—1 for 4 scrip issue.
Ferry Pickering—1 for 10 scrip issue.

Offers for sale, placings and introductions

Atlantic Computers—Applying for full listing; 6m ordinary shares at a minimum price of 170p each.
BP—Offer for sale by tender—130m ordinary shares at minimum tender price of 405p.
Coin Industries—Offer for sale by tender of 3.7m ordinary 10p shares—minimum price of 100p per share.
DCT Group—1m shares at 150p each placed on USM.
DJ Security Alarms—Placing of 1.2m shares at 60p each on USM.
Mainmet Holdings—Coming to USM—600,000 shares at 63p each placed.

Rights Issue

Garner Booth to raise approximately £1.5m by way of a rights issue at 83p per share. Basis of issue is one new ordinary share for every four held and 85 new ordinary for every £400 nominal of convertible stock.

RESULTS AND ACCOUNTS IN BRIEF

UNITED PACKAGING — Results for the year to end-April 1983 and prospects reported August 10. Group shareholders' funds £3.39m (£3.38m). Fixed assets £2.17m (£2.3m). Net current assets £2.02m (£1.82m). Meeting: Charing Cross Hotel, W. October 11, noon.

SECOND ALLIANCE TRUST (investment trust)—Results for the year to July 31, 1983, already known. Fixed assets £106.14m (£68.96m), including listed in the UK at market value £42.58m (£36.54m) and listed overseas at market value £62.52m (£31.92m). Net current assets £3.35m (£2.28m), including cash and short-term deposits £4.13m (£2.65m). Meeting: Dundee, October 14, 11.30 am.

WESTPOOL INVESTMENT TRUST—Results for year to April 30 1983 already known. Group investment in London Merchant Securities £97.23m (£97.09m); other investments £21.88m (£10.7m); net current liabilities £3.08m (£0.74m assets). Shareholders' funds £114.78m (£107.29m). Cash liquidity decreased £3.88m (£1.45m increase). Meeting, Carlton House, W. November 3, 3 pm.

ROBERT M. DOUGLAS HOLDINGS (building contracting and civil engineering)—Results for year to March 31 1983 already known. Group net current assets £1.97m (£3.7m). Fixed assets £18.35m (£16.75m). Shareholders' funds £22.44m (£23.55m). Meeting, Birmingham, October 14, noon.

TORDAY & CARLISLE (engineer)—Results for 1982 already known. Shareholders' funds £3.96m (£7.87m) including revenue reserves £3.27m (£7.19m); fixed assets £3.22m (£5.02m); net current assets £1.23m (£3.69m); decrease in working capital £454,000 (£277,000); decrease in net liquid funds £1.65m (£230,000).

MEAT TRADE SUPPPLIERS—Results for year to April 2 1983 reported August 17 1983. Shareholders' funds £2.39m (£2.41m). Fixed assets £259,7?3 (£484,339): investments and short term deposits £1.07m (£1.34m): net current assets £955,475 (£809,532). Increase in working capital £190,241 (£31,444 decrease). Meeting, Metral House, EC. November 4, noon.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	—	—	—	—	1	46	$412.50
GOLD C	$425	13	9	3	22	2	32	"
GOLD C	$450	65	4	13	11.20	10	21	"
GOLD C	$475	55	2	—	—	—	—	"
GOLD C	$500	50	1	—	—	—	—	"
GOLD P	$400	29	5.50	—	—	1	10	"
GOLD P	$450	1	36 B	—	—	—	—	"
		Dec.		March		June		
SILV C	$11	6	1.45 A	—	—	—	—	$11.93
SILV C	$12	45	0.75	—	—	—	—	"
SILV C	$13	—	—	12	0.70	10	1.50 A	"
SILV P	$12	2	0.50 B	—	—	—	—	"
		Oct.		Jan.		Apr.		
AKZO C	F.60	43	20.90	5	21.20	—	—	F.80.50
AKZO C	F.65	38	15.40	64	16.70	—	—	"
AKZO C	F.70	142	10.60	29	13.10	11	15.10	"
AKZO C	F.80	430	5.20	257	7.30	65	9.70	"
AKZO P	F.70	3	0.30	95	1.10	—	—	"
AKZO P	F.80	44	2	22	3.60	—	—	"
AMRO C	F.60	198	4	—	—	10	7.50	F.63
AMRO C	F.65	209	1	98	3.70	84	4.70	"
AMRO P	F.65	42	2.70	—	—	—	—	"
HEIN C	F.120	154	14.20	25	17.50 A	—	—	F.134
HEIN C	F.130	267	5.60	36	12.50	6	14.30	"
HEIN C	F.140	476	2.60	52	7.60	49	11	"
HEIN P	F.130	65	2.20	36	4.50	3	6	"
HEIN P	F.140	17	6.50 B	75	8.50	3	12	"
HOOG C	F.35	36	1.50	77	3.30 B	23	5.10	F.35.20
KLM C	F.150	182	3.10	16	11.50	—	—	F.144.00
KLM C	F.160	138	1	80	6.60	4	13	"
KLM C	F.170	15	0.60	80	4.50	—	—	"
KLM P	F.140	145	2.20	107	6.40	15	8.50	"
KLM P	F.150	125	8 B	98	12	—	—	"
KLM P	F.160	68	17	10	18 B	—	—	"
NEDL C	F.90	48	6	20	7.80 A	—	—	F.93.50
NATN C	F.150	81	18.50	—	—	3	23	F.169
NATN C	F.160	91	9	29	12.50 B	1	16	"
NATN C	F.170	15	3.50	55	7.20	18	9.50	"
PHIL C	F.45	147	4.70	18	7	6	8.20	F.49
PHIL C	F.50	472	1.40	176	4.10	122	5.40	"
PHIL C	F.55	108	0.50	117	1.90	117	3.40	"
PHIL P	F.45	121	0.40	39	1.70	105	2.20	"
PHIL P	F.50	61	1.90	31	4	10	4.50 B	"
RD C	F.120	51	19.20	10	22	—	—	F.138.60
RD C	F.130	89	10	56	14.80	20	16	"
RD C	F.140	380	3.50	130	8.40	6	12	"
RD C	F.150	145	0.60	117	4.20	—	—	"
RD P	F.130	57	0.70	62	2.30	20	4.10	"
RD P	F.140	704	3.80 B	275	6	52	7.70	"
UNIL C	F.200	40	29.50	—	—	—	—	F.229.80
UNIL C	F.220	178	10.80	5	15.80	3	22.50	"
EOE C	F.140	—	—	77	12	2	14.50	F.147.13
EOE C	F.145	—	—	29	8	20	11	"
EOE C	F.150	—	—	16	5	30	8.80	"
EOE P	F.140	—	—	8	2.50	—	—	"

TOTAL VOLUME IN CONTRACTS: 19,629

A=Ask B=Bid C=Call P=Put

APPOINTMENTS

Chairman for STC Business Systems

Mr Ken Walton, managing director of STC Components, has been additionally appointed chairman of STC BUSINESS SYSTEMS in succession to Sir Kenneth Corfield, who remains chairman and chief executive of Standard Telephones and Cables. The company says the appointment has been made to give it additional strengths in a liberalised telecommunications market. Mr Walton, who retains his position as managing director of STC Components and remains a member of the board of STC has also been appointed chairman designate of STC Distributors. It is intended that he will become chairman in November, again succeeding Sir Kenneth. Mr Walton joined STC Enfield in 1953. Mr Peter Breen continues as managing director of STC Business Systems and Mr A. S. "Bev" Bevins as managing director of STC Distributors.

★

CAPITAL FOR COMPANIES, administrators of the Yorkshire Capital Ventures Fund which is to be launched shortly, has appointed Mr Barry Anysz as chief executive. He was a manager of the ICFC Leeds area office.

★

Mr Laurence Isaacson, deputy chairman of The Creative Business, has been appointed a main board director of KENNEDY BROOKES. He will also become managing director of Poetfield (Maxim's of Paris) in which Kennedy Brookes holds a majority stake. Mr Issacson has been a director of Kennedy Brookes Finance for over a year and is one of the founding shareholders and directors of Poetfield. He will continue as deputy chairman of The Creative Busines and will remain chairman of the specialist design subsidiary. Perception.

★

Mr Dennis Wood of Sherbrooke, Quebec, Canada, who is president of Berkley Wallcoverings Inc an associated company, has joined the board of LEYLAND PAINT & WALLPAPER as a non-executive director with particular interest in the wallcoverings activities of the group. Mr Tony Abel is to join the paints division of Leyland as regional director (south) on October 3. He has worked for the last 15 years with ICI paints division, and was latterly national sales manager for wallcoverings.

★

Mr Jonathan Lyttleton has been appointed a director of MMG, an international investment banking services group with offices in London, Paris and New York.

★

BLACK ARROW GROUP has appointed Mr W. P. Griffiths to the board of Black Arrow Finance. He was previously with AMG (UK).

★

The Energy Secretary has reappointed Lord Croham as part-time chairman of the BRITISH NATIONAL OIL CORP for a further two years from November 1. Lord Croham was first appointed to the post in 1982. He had previously been part-time deputy chairman since 1978. He was head of the Home Civil Service and Permanent Secretary of the Civil Service Department from 1974 to 1977. Lord Croham, formerly Sir Douglas Allen, was made a Life Peer in 1978.

★

CHASE MANHATTAN LIMITED (CML), London-based merchant banking subsidiary of the Chase Manhattan Capital Markets Group, has named Dr Brian Terry as executive director. Within CML's corporate finance division, Dr Terry is responsible for the marketing of tax-based leasing and lease related advisory services including the Chase Lease Evaluating and Accounting System International (CLEASE/I) to Chase's customers in Europe, the Middle East and Africa. Dr Terry joined Chase in 1977.

CML has appointed Mr George Clark to head its Eurobond trading activities.

★

Lord (Joel) Barnett has been appointed chairman of S. CASKET (HOLDINGS), Manchester. He replaces Mr Philip Casket, who becomes president of the company.

★

Mr Laurence Isaacson, managing director of Poetfield (Maxim's of Paris)

Mr Kevin Lomax has been appointed group managing director of STANDARD INDUSTRIAL GROUP.

★

CONTRACTS

Costain wins £10m Post Office order

Costain Construction, Rickmansworth, is to build a mechanised letter sorting office for the Post Office in St Pancras Way, NW1 0QE. The £10m contract comprises a 238,000 sq ft building including the sorting office, a covered yard and vehicle loading platform, motor transport workshops, administration and welfare facilities and a covered private car park. The building will be of reinforced concrete with a metal clad roof and curtain walling of glass and vitreous enamelled steel panels. The office section will be four-storeys high and the car park will occupy two storeys. The sorting office is to be built alongside the Grand Union canal. The contract is due for completion in June 1985. Post Office engineers are dealing with mechanical and electrical services.

★

SEAFORTH MARITIME, Aberdeen, has its second diving system order for Russia. In June, Seaforth's subsidiary, Seaforth Engineering was awarded a £10m contract for an advanced saturation diving system hardware for supply to Mingasprom, the Soviet Ministry of Gas. Now the company has an order for an air diving system for installation on board a heavy lift crane vessel being built for Russia at the Singapore shipyard of Far East Levingston. The order is worth about £350,000 to Seaforth. The company is owned 55 per cent by James Finlay and 45 per cent by Taylor Woodrow Construction.

★

LUCAS CHLORIDE EV SYSTEMS (jointly owned by Lucas Industries and Chloride Group), has been awarded a research and development contract worth £276,000 from the Ford Motor Company in the U.S. The contract is to develop an experimental lead-acid electric vehicle battery system compatible with an integrated alternating current powertrain being developed by Ford under a $6.8m research contract from the U.S. Department of Energy.

★

MM Oil, a division of Consett Industries involved in the fabrication of offshore oil rigs, have placed an order worth £145,000 with J. H. CARRUTHERS AND CO., East Kilbride, for two overhead travelling cranes. The two cranes, each of 30 tonne capacity, 37 metre span and 20 metre height of lift, will be working in a new module fabrication facility which is to be built at Hartlepool.

★

AEG-TELEFUNKEN has an order from the Chinese Ministry for the Textile Industry. The contract, worth DM 5m (£1.43m), includes the know-how transfer for manufacture, test and service of semiconductor drive systems for spinning machines in the chemical fibre industry. Chinese engineers will be trained at the AEG factory in Berlin some time this year and AEG engineers will also advise the Chineses when they are starting their own manufacture of drive systems at Shanghai.

★

Economic Diary

TODAY: Liberal assembly ends (address by Dr David Owen, SDP leader). Mr Richard Luce, Foreign Office Minister, visits Hong Kong (until September 29). IDA/World Bank donors meeting, Washington. EEC Industry Ministers informal meeting, Athens.

TOMORROW: Mrs Thatcher begins visit to Canada and U.S., holds talks with President Trudeau (until September 26). Hungary to sign $200m loan agreement with World Bank, Washington. Mr Caspar Weinberger, U.S. Defence Secretary, begins five-day visit to China.

MONDAY: Mrs Thatcher continues Canada visit (expected to address Parliament). New vehicle registrations (August). Food facts (2nd quarter). Balance of payments current account and overseas trade figures (August). CBI monthly trends inquiry. Manpower Services Commission statement on cash aid for computer services industry. Mrs Lynda Chalker, Transport Minister, addresses Association of Metropolitan Authorities Transport conference, Leeds. President Reagan addresses UN. IMF annual meeting (until September 27), Washington. EEC agricultural meeting until September 27), Brussels.

TUESDAY: NUM to submit pay claim. Mr Leon Brittan, Home Secretary, addresses Police Superintendents' Association annual conference, Torquay.

WEDNESDAY: Personal income, expenditure and saving (2nd quarter). Industrial and commercial companies appropriation account (2nd quarter). Overseas travel and tourism (July). Quarterly analysis of bank advances (mid-August). Health and Safety Commission annual report. Mrs Thatcher leaves for Washington. World Bank annual meeting (until September 30).

THURSDAY: Energy trends (July). Unemployment and unfilled vacancies (September provisional) and August final. Overtime and short-time working in the manufacturing industries CGBR (2nd quarter). Money stock (2nd quarter). Mrs Thatcher meets President Reagan, Washington.

FRIDAY: Finished steel consumption and stock changes (2nd quarter final)

Over-the-Counter Market

1982-83 High	1982-83 Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	132	—	6.4	4.8	7.7	10.1
158	117	Ass. Brit. Ind. CULS	140	—	10.0	7.2	—	—
74	57	Airsprung Group	71xd	—	6.1	8.6	20.3	20.3
46	21	Armitage & Rhodes	22	—	—	—	—	—
238	98½	Bardon Hill	238	+ 1	7.2	3.0	9.7	19.8
151	100	CCL 11pc Conv. Pref	141	—	15.7	11.1	—	—
270	187	Cindico Group	187	—	17.6	9.4	—	—
86	45	Deborah Services	57	—	6.0	10.5	—	—
136	77	Frank Horsell	136	+ 2	—	—	5.7	9.4
130	75½	Frank Horsell Pr Ord 87	130	+ 2	8.7	6.7	5.5	9.0
83	54	Frederick Parker	54	—	7.1	13.1	3.4	5.4
55	32	George Blair	32	—	—	—	5.5	11.6
100	64	Ind. Precision Castings	64	—	7.3	11.4	17.7	22.0
200	100	Isis Conv. Pref.	200	—	15.7	7.9	—	—
114	47	Jackson Group	107	—	4.5	4.2	5.6	11.0
237	111	James Burrough	212	—	11.4	5.4	11.7	12.0
260	137	Robert Jenkins	138	—	20.0	14.5	16.0	10.8
83	54	Scruttons "A"	68	—	5.7	8.4	11.3	8.2
167	110	Torday & Carlisle	112	—	2.9	2.6	—	—
29	21	Unilock Holdings	23	—	1.0	4.3	15.0	21.9
88	64	Walter Alexander	89	+ 1	6.8	7.6	7.8	10.3
276	214	W. S. Yeates	265	—	17.1	6.5	4.1	8.5

Licensed Dealer in Securities

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*434)						
300	140	—	—	1½	—	—
330	110	—	—	2	—	—
360	80	90	—	2	4	—
390	52	64	72	8	5	10
420	28	42	50	7	14	22
460	7	20	36	28	38	44
Cons. Goldfields (*594)						
500	102	114	—	1½	5	—
550	57	74	90	5	15	21
600	20	44	57	23	38	50
650	5	20	33	65	74	84
Courtaulds (*98)						
60	34	—	—	—	—	—
70	24	27	—	0¼	2	—
80	16	19	—	1	3½	—
90	—	—	20	—	—	6
95	8	11	—	4	6	—
100	—	—	13	—	—	10
110	1½	5	8	14	16	18
Commercial Union (*170)						
130	50	—	—	0½	—	—
140	40	—	—	1½	—	—
150	30	32	33	2	4	5
160	10	16	21	4	11	15
180	2	7	10	21	24	26
G.E.C. (*198)						
180	22	28	34	3	6	9
200	7	15	22	10	14	15
220	2	8	14	24	24	26
240	1	2½	9	44	44	44
260	0½	1	—	—	—	—
Grand Met. (*387)						
300	30	41	47	3	7	9
330	10	21	27	12	17	22
360	3	7	12	34	37	40
390	1	5	6	65	65	68
I.C.I. (*530)						
390	146	—	—	1	—	—
420	116	130	—	1	3	—
460	75	90	—	2	6	—
500	40	54	66	5	14	19
550	10	24	34	24	34	42
600	2	10	18	70	74	82
Land Securities (*312)						
260	58	—	—	—	—	—
280	36	42	48	1	4	6
300	19	27	33	4	9	12
330	2	11	18	21	25	30
Marks & Spencer (*212)						
180	34	40	47	1½	3	4
200	17	24	31	4	6	10
220	4	9	18	15	18	20
Shell Transport (*582)						
460	156	178	—	1	2	—
500	126	158	—	1½	3	—
550	80	94	100	1½	7	12
600	36	50	60	10	18	30
650	8	22	36	36	40	60

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*474)						
460	28	45	55	10	17	25
500	10	25	35	30	40	47
550	3	8	18	78	85	90
Imperial Group (*119)						
110	11	16	19	3	4½	6
120	4½	10	12	7	9	11
130	1½	5	—	14	16	—
LASMO (*325)						
280	—	75	—	—	12	—
300	47	62	73	12	17	25
330	25	47	55	23	30	35
360	10	28	35	45	50	58
390	6	17	23	70	75	80
Lonrho (*108)						
80	30	—	—	1	—	—
90	20	22	—	1	2	—
100	11	15	16	2½	5½	7
110	3½	7½	10	7	10	12
P. & O. (*227)						
180	51	56	—	1	2	—
200	33	39	44	2	2	3
220	15	25	31	5	7	8
240	5	12	17	17	19	21
Racal (*207)						
210	15	—	—	10	—	—
220	—	20	26	—	19	22
230	6	14	20	26	28	32
250	2½	7	12	46	45	48
275	1	3	—	70	70	—
R.T.Z. (*637)						
500	140	152	—	1½	2	—
535	107	122	—	1½	5	—
550	90	107	—	5	12	—
583	65	77	—	6	22	—
600	52	65	82	14	28	35
650	18	35	55	50	52	57
700	5	15	30	75	82	87
Vaal Reefs (*$122)						
100	23½	—	—	1	—	—
110	14½	23	—	3	7	—
120	8	15½	20	6½	11	14½
130	4	10	14	13	17	20
140	1½	6	9½	20½	25	28

Option	Calls Sept.	Calls Dec.	Calls Mar.	Puts Sept.	Puts Dec.	Puts Mar.
Beecham (*326)						
300	—	48	55	—	8	11
330	6	27	35	8	18	25
355	1	14	18	50	35	40
385	1	5	9	60	60	65
415	1	2	—	90	90	—
Guest Keen (*159)						
155	18	24	—	1	5	—
160	—	—	27	—	—	12
175	1	12	—	7	14	—
180	—	—	14	—	—	21
200	1	4	8	30	35	38

Sept. 23 Total Contracts 2,712 Calls 1,943 Puts 769

* Underlying security price.

BASE LENDING RATES

A.B.N. Bank	9½%
Al Baraka International	9½%
Allied Irish Bank	9½%
Amro Bank	9½%
Henry Ansbacher	9½%
Arbuthnot Latham	9½%
Armco Trust Ltd.	9½%
Associates Cap. Corp.	9½%
Banco de Bilbao	9½%
Bank Hapoalim BM	9½%
BCCI	9½%
Bank of Ireland	9½%
Bank Leumi (UK) plc	9½%
Bank of Cyprus	9½%
Bank of Scotland ......Ω	9½%
Banque Belge Ltd.	9½%
Banque du Rhone	10½%
Barclays Bank	9½%
Beneficial Trust Ltd.	10½%
Bremar Holdings Ltd.	9½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10 %
CL Bank Nederland	9½%
Canada Perm't Trust	10½%
Castle Court Trust Ltd.	10 %
Cayzer Ltd.	9½%
Cedar Holdings	10 %
■ Charterhouse Japhet	9½%
Choulartons	10½%
Citibank Savings ......¶	10½%
Clydesdale Bank	9½%
C. E. Coates	10 %
Comm. Bk. of N. East	9½%
Consolidated Credits	9½%
Co-operative Bank ......*	9½%
The Cyprus Popular Bk.	9½%
Duncan Lawrie	9½%
E. T. Trust	10 %
Exeter Trust Ltd.	10½%
First Nat. Fin. Corp.	11½%
First Nat. Secs. Ltd.	11½%
Robert Fraser	10 %
Grindlays Bank ......‡	9½%
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Heritable & Gen. Trust	9½%
■ Hill Samuel ......§	9½%
C. Hoare & Co. ......†	9½%
Hongkong & Shanghai	9½%
Kingsnorth Trust Ltd.	11 %
Knowsley & Co. Ltd.	10 %
Lloyds Bank	9½%
Mallinhall Limited	9½%
Edward Manson & Co.	10½%
Meghraj and Sons Ltd.	9½%
Midland Bank	9½%
■ Morgan Grenfell	9½%
National Bk. of Kuwait	9½%
National Girobank	9½%
National Westminster	9½%
Norwich Gen. Tst.	9½%
R. Raphael & Sons	9½%
P. S. Refson & Co.	9½%
Roxburghe Guarantee	10 %
Royal Trust Co. Canada	9½%
Standard Chartered ......‖	9½%
Trade Dev. Bank	9½%
TCB	9½%
Trustee Savings Bank	9½%
United Bank of Kuwait	9½%
United Mizrahi Bank	9½%
Volkskas Intnl. Ltd.	9½%
Westpac Banking Corp.	9½%
Whiteaway Laidlaw	10 %
Williams & Glyn's	9½%
Wintrust Secs. Ltd.	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%. 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.15%. Effective annual rate—9.54%.

Wall St awaits money supply

SLIGHTLY LOWER levels developed on Wall Street yesterday, when investors, in advance of the Money Supply announcement, took profits following the market's recent sharp run-up.

The Dow Jones Industrial Average, which Thursday closed up more than 14 points at a record 1,257, was off 5.49 to 1,252.03 by 1 pm, reducing its rise on the week to 26.32. The NYSE All Common Index shed 35 cents to $97.85, while declining issues led gains by a seven-to-six majority. Trading volume expanded 7.85m shares to 73.16m, compared with 1 pm Thursday.

Analysts said the overall market easiness can be attributed to uncertainty about the Money Supply figures that will be announced later.

Economists are predicting that the Money Supply could be anywhere from up $2.5bn to down $3bn.

Personal Computer stocks bore a major part of yesterday's retreat, with Apple Computer falling $7¾ to $24⅜ bid in Over the Counter trading. Apple said it expects its fiscal fourth quarter profits to fall sharply from last year.

Other Personal Computer makers suffered declines. Tandy fell $1⅞ to $42⅞. Texas Instruments $2½ to $114¾ and Commodore $1½ to $47¾. IBM, considered the leading company in that business, held unchanged at $124¼.

Coleco, which finally received approval to market its "Adam" computer, rose $½ to $38.

Alleghany Corp. gained another $1½ to $72½ on takeover speculation. Data General, which rose sharply Thursday on a favourable analyst report, pulled back $3⅜ to $78⅛.

Teledyne were down $3½ at $161¼, Motorola $1⅜ at $141¾, but Sanders Associates were up $1⅛ to $119¼, Ames Department Stores rose $2¼ to $48¼, Ingersoll-Rand put on $2¾ to $53½ and Canal Randolph rose $1½ to $87½.

THE AMERICAN SE Market Value Index shed 1.50 to 235.97, while the volume expanded 1.53m shares to 6.11m.

Closing prices for North America were not available for this edition.

Canada

Slightly higher at midsession, with the Toronto Composite Index up 5.1 at 2,592.1, just off its high of 2,597.7 set earlier yesterday morning.

The Metals and Minerals Index rose 9. .362ot2udao SHRDLUC rose 9.2 to 2630.4, Banks 3.34 to 495.67 and Utilities 2.15 to 319.61. But Golds shed 14.9 to 4397.1 and Oil and Gas eased 15.1 to 3907.2.

Du Pont Canada said it suspended studies into the building of a $500m polyethylene plant with Alberta Energy, which were up $¼ at $21.

Hong Kong

Continuing concern over the course of talks in Peking between Britain and China on this colony's future sent the Hong Kong dollar and share prices skidding.

The selling pressure on stocks was relentless. The Hang Seng Index went into a dive from the start and closed down 63.58 at 785.48, its lowest level since early January. It was also the second sharpest one-day decline this year, the first having been this past Monday when it fell nearly 74 points in a similar episode.

The Stock Market was reacting largely to the fall in the value of the Hong Kong dollar, which hit a new record low Friday, shattering the previous one set Monday.

The level of growing nervousness was reflected in persistent rumours on the Stock Market that there had been a run on several banks. None of the rumours appears to have been true. The most mentioned bank to be suffering was Sun Hung Kai Bank. An official spokeswoman stated flatly that there is no justification at all to the rumours.

Singapore

Slightly higher across the board in moderate trading, with strong overnight New York market advices aiding sentiment.

Intermittent bouts of profit-taking emerged, following lower Hong Kong market advices, to pare some of the earlier gains and the market closed off its best levels.

The Straits Times Industrial Index closed 3.02 up at 990.41.

Germany

Mostly higher after U.S. shares hit an historical high on Wall Street a day earlier.

Brokers said the U.S. trend injected confidence into German equities with Foreign investors reportedly making for lively trading before volume began to ebb towards the end of the session.

The Commerzbank Index rose 4.6 to 934.8.

Higher new car registrations in West Germany in the first eight months and a successful Frankfurt Motor Show this week helped Motors record some of the session's sharpest gains.

BMW rose DM 3.50. Daimler-Benz added DM 3 and VW followed with a DM 2.40 rise.

Machine makers also firmed, with Deutsche Babcock adding DM 5 and Linde up DM 2.50.

Higher Steels featured a DM 3.60 rise for Thyssen.

Brown, Boveri shot up DM 7 in firm Electricals, where Siemens climbed DM 2.40 and AEG DM 2.1.

In Banks, Bayerische Vereinsbank led with a DM 3.50 increase.

Milan

Prices closed higher for the second straight session and the Market Index rose 1 per cent.

Short-covering operations and denial by Government Officials that new taxes might be considered soon helped the market rally.

Fiat, up L55 at L3,080, responded to higher profit for 1982 and good prospects for 1983.

Olivetti, up L61 at L3,426, reportedly reflected of an underway battle between groups in the controlling syndicate of the leading Italian Computers and Office Machine Company.

According to reliable sources the French Group Saint Gobain, which is going to sell its stake in Olivetti at market quotations, is trying to keep thep rice high while Italian hands in the syndicate are trying to push the price down.

Paris

Higher in active trading, with rises overwhelming falls by a five-to-one majority.

Activity was encouraged by the opening of a new monthly account. Wall Street's record high overnight and remarks by Finance Minister Jacques Delors of possible Government moves to ease firms' debt costs.

Oils and Foods were the firmest sectors.

In Foods, Beghin-Say rose FFr 7.1 to 312.1, Bongrain FFr 103 to 1,565, BSN FFr 30 to 1,995 and Pernod-Ricard FFr 29 to 780.

In Oils, Elf-Aquitaine moved up FFr 3.1 to 188.1. Francaise des Petroles FFr 5.6 to 162.5.

Among Constructions, Bouygues improved FFr 9 to 708 and Dumez FFr 17 to 922.

CIT-Alcatel put on FFr 17 at 1,312 in Electricals, while Matra rose FFr 40 to 1,065 following a major U.S. Air Force supply contract.

Foreign shares were also very firm, with Americans and Germans registering the best gains.

Australia

Markets edged upwards, led by solid gains among some leading *Mining stocks* and also Banks.

Shares traded against the background of a new record overnight on Wall Street, which boosted market confidence, and the handing down yesterday morning of a decision in the National wage case, which had little immediate effect on sentiment.

NEW YORK

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

JAPAN

SINGAPORE

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

SOUTH AFRICA

Indices

NEW YORK DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weaker

The dollar lost ground in currency markets yesterday in rather confused trading. Euro-dollar rates were lower by ⅛ of a point following expectations of a fall in U.S. M1 money supply figures. Federal fund rates were trading around 9 per cent which tended to encourage some selling. However the market seemed reluctant to accept the possibility of a sustained fall in the dollar and some currencies were quoted on a rather large spread. The dollar fell to DM 2.6570 from DM 2.6780 against the dollar and was lower in early New York trading at DM 2.6500. In London it also fell against the Swiss franc to SwFr 2.15 from SwFr 2.1685 and FFr 8.04 from Fr 8.0950. Against the yen it eased to Y239.90 compared with Y242.50 on Thursday.

On Bank of England figures its trade weighted index slipped to 128.0 from 128.7. Sterling was also lower. Its trade weighted fell to 84.7 from 85.0, having stood at 84.8 at noon and 85.0 in the morning. Against the dollar it opened at $1.50-1.5010 and touched a low of $1.4970 before recovering to $1.5015-1.5025, a rise of 30 points. It was weaker against the D-mark at DM 3.9925 from DM 4.0175 and SwFr 3.23 from SwFr 3.2525. It fell against the French franc to Fr 12.0725 from FFr 12.1325 and Y360½ from Y363¾. The weaker trend was mainly a reflection of market hopes of a cut in base rates while there may have been some selling generated by rumours of sterling's posible entry into the EMS, a view not held by much of the market.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8640	+2.15	+1.49	±1.5447
Danish Krone ..	8.14104	8.15961	+0.23	−0.43	±1.6425
German D-Mark	2.24184	2.26933	+1.23	+0.57	±1.0842
French Franc ...	6.87456	6.86596	−0.13	−0.79	±1.4052
Dutch Guilder ...	2.52595	2.53846	+0.50	−0.16	±1.4964
Irish Punt	0.72569	0.724907	−0.11	−0.77	±1.6699
Italian Lira	1403.49	1373.36	−2.15	−2.15	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Sept 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U S	1.4970-1.5040	1.5015-1.5025	0.02cpm-0.03cdis	−0.20	0.07-0.12dis	−0.25
Canada	1.8470-1.8540	1.8495-1.8505	0.10c pm-par	0.32	0.13-0.3 pm	0.17
Nethlnd	4.44½-4.48½	4.45½-4.46½	1½-1c pm	3.36	3⅞-3⅜ pm	3.25
Belgium	80.55-81.10	80.70-80.80	5c pm-5c dis	—	par-10c dis	−0.25
Denmark	14.32-14.40	14.34-14.35	1¼-3ore dis	−1.99	5¾-6½ dis	−1.66
Ireland	1.2730-1.2800	1.2735-1.2745	0.16-0.19p	−1.65	0.53-0.58dis	−1.74
W. Ger	3.98-4.01	3.98¼-3.99¼	1½-1pf pm	3.76	4-3½ pm	3.76
Portugal	186.00-187.50	186.35-185.85	165-420c dis	−18.81	690-1230dis	−20.58
Spain	227.80-229.00	228.00-228.25	220-305c dis	−13.81	785-920dis	−14.77
Italy	2407-2424	2410-2413	16-19 lire dis	−8.71	48-53 dis	−8.54
Norway	11.10-11.16	11.11-11.12	2¼-3½ore dis	−2.97	9¼-10¼ dis	−3.53
France	12.05-12.12	12.06¼-12.07¼	2½-3½c dis	−2.98	13-15 dis	−4.64
Sweden	11.77-11.83	11.79½-11.80½	2¼-3ore dis	−2.67	7¼-8 dis	−2.58
Japan	359-363	360-361	0.85-0.65y pm	2.50	2.45-2.25 pm	2.61
Austria	28.00-28.20	28.05-28.10	9½-8gro pm	3.74	23½-20 pm	3.09
Switz.	3.22-3.25½	3.22½-3.23½	1⅝-1¼c pm	5.11	4¼-3¾ pm	4.95

Belgian rate is for convertible francs. Financial franc 81.55-81.65
Six-month forward dollar 0.28-0.33c dis, 12-month 0.70-0.80 c dis

THE DOLLAR SPOT AND FORWARD

Sept 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4970-1.5040	1.5015-1.5025	0.02cpm-0.03cdis	−0.20	0.07-0.12dis	−0.25
Ireland†	1.1753-1.1790	1.1780-1.1790	0.29-0.20c pm	2.50	0.78-0.66 pm	2.44
Canada	1.2317-1.2326	1.2317-1.2321	0.08-0.05c pm	0.63	0.17-0.14 pm	0.50
Nethlnd.	2.9670-2.9780	2.9670-2.9690	0.97-0.87c pm	3.71	2.67-2.57 pm	3.52
Belgium	53.72-53.84	53.76-53.78	4-2c pm	0.67	4-1 pm	0.18
Denmark	9.5500-9.5750	9.5500-9.5600	0.90-1.30ore dis	−1.32	1.80-2.30dis	−0.85
W. Ger.	2.6550-2.6720	2.6565-2.6575	0.91-0.86pf pm	3.40	2.66-2.61 pm	3.98
Portugal	124.15-124.60	124.15-124.45	110-280c dis	−18.80	450-300dis	−20.09
Spain	152.00-152.25	152.00-152.10	130-170c dis	−11.84	450-550dis	−13.15
Italy	1,605-1,611	1,605-1,606	[illegible]-13 lire dis	−9.14	33-35 dis	−8.46
Norway	7.3925-7.4140	7.3925-7.4025	1.60-1.90ore dis	−2.83	5.80-6.10dis	−3.21
France	8.0300-8.0700	8.0375-8.0425	1.95-2.10c dis	−3.02	8.80-9.30dis	−4.50
Sweden	7.8520-7.8635	7.8520-7.8620	1.75-1.95ore dis	−2.82	5.00-5.20dis	−2.59
Japan	239.55-241.40	239.85-239.95	0.57-0.52y pm	2.72	1.75-1.70 pm	2.87
Austria	18.71-18.73½	18.71-18.71½	6.30-5.70gro pm	3.86	17-15 pm	3.42
Switz.	2.1480-2.1615	2.1495-2.1505	0.96-0.91c pm	5.22	2.82-2.77 pm	5.20

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.
Belgian rate is for convertible francs. Financial franc 54.32-54.37.

EXCHANGE CROSS RATES

Sept. 23	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.502	3.993	360.5	12.07	3.240	4.460	2412.	1.850	80.75
U.S. Dollar	0.666	1.	2.658	240.0	8.038	2.160	2.969	1606.	1.232	53.76
Deutschemark	0.250	0.376	1.	90.29	3.024	0.809	1.117	604.0	0.463	20.23
Japanese Yen 1,000	2.774	4.166	11.07	1000.	33.49	8.960	12.37	6689.	5.132	224.0
French Franc 10	0.828	1.244	3.307	298.6	10.	2.676	3.694	1998.	1.532	66.89
Swiss Franc	0.310	0.465	1.236	111.6	3.738	1.	1.381	746.6	0.575	25.00
Dutch Guilder	0.224	0.337	0.895	80.83	2.707	0.724	1.	540.7	0.415	18.11
Italian Lira 1,000	0.415	0.623	1.656	149.5	5.006	1.339	1.849	1000.	0.767	33.49
Canadian Dollar	0.541	0.812	2.158	194.9	6.526	1.746	2.411	1304.	1.	45.65
Belgian Franc 100	1.248	1.860	4.944	446.4	14.95	4.000	5.523	2986.	2.291	100.

MONEY MARKETS

Rates ease

UK clearing bank base lending rate 9½ per cent (since June 14)

UK interest rates showed further falls yesterday reflecting increased market optimism over the possibility of a cut in base rates. Discount houses met little success in trying to drive down Bank of England dealing rates, with the latter resorting to repurchase agreements in order to meet the market shortage. The Bank forecast a shortage of around £350m with factors affecting the market including maturing assistance and a take up of Treasury bills—£393m and a rise in the note circulation of £220m. On the other hand Exchequer transactions added £214m to the system.

Morning assistance was confined to purchases of £8m of eligible bank bills in band 2 (15-33 days) at 9½ per cent with a further £358m in the afternoon comprising purchases of £65m of eligible bank bills in band 2 at 9½ per cent. The Bank also entered into sale and repurchase agreements on £293m of bills at 9⁵⁄₁₆-9½ per cent, unwinding on September 30, and also provided a round of late assistance of £25m. Total help amounted to £391m.

In the interbank market weekend money opened at 9¾-10¼ per cent and eased initially to 10-10¼ per cent before coming back to 10½ per cent and then easing to 9 per cent. Late balances were taken at 10½ per cent however.

LONDON MONEY RATES

Sept. 23 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	9-10½	10	—	—	9½-10¼	9-10	—	—	—
2 days notice	—	—	9¾-9⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10¼	—	—	—	—
7 days notice	—	9⅞-10¼	9¾-9⅞	—	—	—	9½-9¾	—	—	—
One month	9⁹⁄₁₆-9¹¹⁄₁₆	9¾-9⅞	9¾	9⅞-9⅝	9¾	10½	9⅝	9½	9½	[illegible]
Two months	9⅝-9½	9⅝-9¾	9¹¹⁄₁₆	9½-9⅝	9⅝	10	9½	9⅞-9¼	9¹⁄₁₆-9³⁄₃₂	[illegible]
Three months	9½-9¾	9½-9¹¹⁄₁₆	9⅝	10-9⅝	9⅝	9⅞	9	8¹⁵⁄₁₆-9	9¹⁄₁₆-9³⁄₃₂	[illegible]
Six months	9⁷⁄₁₆-9⅝	9½-9¹¹⁄₁₆	9⅝	9⅝-9	9⅝	—	—	—	9	—
Nine months	9½-9⅝	9⅝-9¹³⁄₁₆	9⅝	9⅞-9½	9⅝	—	—	—	—	—
One year	9½-9⁹⁄₁₆	9¾-9¹³⁄₁₆	9¾-9⅞	10-9⅝	9¹¹⁄₁₆	—	—	—	—	—
Two years	—	—	10½-10¾	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period August 3 to September 6 1983 (inclusive): 9.930 per cent.

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 11 per cent; four years 11¼-11½ per cent; five years 11¾-11½ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 9⁵⁄₃₂-9³⁄₃₂ per cent; four months' trade bills 9⅝-9½ per cent.

Approximate selling rate for one-month Treasury bills 9¼-9⁷⁄₃₂ per cent; two months 9⅛ per cent and three months 8¹⁵⁄₁₆-8⅞ per cent. Approximate selling rate for one month bank bills 9⁷⁄₁₆-9¹⁵⁄₃₂ per cent; two months 9⅜-9⅛ per cent; three months 8¹⁵⁄₁₆-9 per cent; trade bills 9⅞ per cent; two months 9²⁵⁄₃₂ per cent and three months 9²⁵⁄₃₂ per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 8.9826 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 9¾ per cent; three-six months 10 per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from September 13. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 23	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9¾-10	9¾-9⅞	9⅝-9¾	9⁹⁄₁₆-9¹¹⁄₁₆	9½-9⅝	9¾
U.S. Dollar	9-9¼	9½-9⅝	9⁷⁄₁₆-9⁹⁄₁₆	9½-9¾	9¾-10	10⅛
Can. Dollar	8½-9	8½-9	8¹⁵⁄₁₆-9¹⁄₁₆	9¹⁄₁₆-9³⁄₁₆	9⁷⁄₁₆-9⁹⁄₁₆	9¹³⁄₁₆
D. Guilder	5¾-5⅞	5¾-6	5⅞-6	6⅛-6¼	6¼-6⅜	6½
S. Franc	1⅝-1⅞	1⅝-1⅞	4⅛-4½	4⅜-4½	4¾-4⅞	4¹¹⁄₁₆
Deutschm'rk	5⅛-5⅜	5⅛-5⅜	5⅜-5⅝	5⅜-5⁷⁄₁₆	5⅞-6	6¼
Fr'nch Franc	12-12¼	12¼-12½	12⅝-12⅞	14-14¼	15½-15¾	15⅞
Italian Lira	17-19	17½-21	18½-20	18-19	18¼-19	18⅞
Belg. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER CURRENCIES

Sept. 23	£	$		Note Rates
Argentina Peso	18.80-18.86	12.534-12.554	Austria	[illegible]
Australia Dollar	1.6780-1.6800	1.1182-1.1188	Belgium	[illegible]
Brazil Cruzeiro	1,074.3-1,079.8	716.0-719.0	Denmark	[illegible]
Finland Markka	8.5596-8.5528	5.6920-5.6940	France	[illegible]
Greek Drachma	139.36-139.96	92.80-92.90	Germany	[illegible]
Hong Kong Dollar	12.90¾-13.06¾	8.6-8.7	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
KuwaitDinar(KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth. African Rand	1.6583-1.6613	1.1068-1.1080	United States	1.49-1.51
U.A.E. Dirham	5.5010-5.5020	3.6720-3.6730	Yugoslavia	183-188

* Selling rates.

FT LONDON INTERBANK FIXING

11.00 a.m. SEPTEMBER 23

3 month U.S. dollars		6 month U.S. dollars	
bid 9 5/8	offer 9 3/4	bid 9 7/8	offer 10

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983 High	1983 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

‡ Unquoted. (g) Madagascar. (y) Oct. (u) Nov. (w) Sept-Oct. (v) Oct-Nov. § Ghana cocoa.

REVIEW OF THE WEEK

Soya prices boosted by shortage fears

BY OUR COMMODITIES STAFF

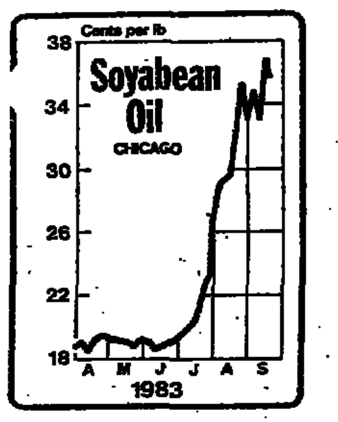
SOYABEAN OIL prices jumped sharply this week, following a report by the U.S. Department of Agriculture that world production of oilseeds would be 10 per cent down this year, mainly as a result of very poor U.S. crops.

The Department noted total supplies available this season would be insufficient to cover last season's domestic and export requirements.

There is no question of an U.S. export embargo, however. The Americans say they will rely on price rationing to reduce demand. In fact after rising early in the week prices came back later on speculative profit taking in Chicago.

On the London soyabeanmeal futures market, the December position closed yesterday £8.50 up on a week ago at £192.75 a tonne, after rising to over £201 on Wednesday.

Cocoa prices tumbled yesterday following a private crop report by a UK trade house predicting that in 1983-84 production would exceed consumption by 48,000 tonnes, as a result of a bumper Ivory Coast main crop of 425,000 tonnes. This was in sharp contrast to a prediction by another UK trade house, Holco, earlier this week forecasting that Ivory Coast crop would be only 350,000 tonnes and there would be a production deficit of 35,000 tonnes.



The Holco report pushed prices sharply higher, with the December position climbing to a high of £1,568 a tonne. But prices came crashing down on the alternative view given yesterday and December closed at £1,483.5 a tonne, £27 lower on the week.

The London daily price for raw sugar fell sharply on Wednesday to £140, its lowest level since May. But then rallied back to £147 a tonne, £2 up on the week.

Rumours of further Brazilian sales, a good Russian crop, improving prospects for the EEC beet crop and fears of large quantities being dumped on the futures markets in New York and London were all depressing influences. But weaker sterling, and the feeling that price falls had been overdone, brought a quick reaction. However prospects for a new International Sugar Agreement emerging from the current negotiations in Geneva, due to end next week, remain dismal with reports of continuing differences between the main participants.

It now seems likely further talks will end in February. In contrast the International Coffee Agreement talks in London appeared to be progressing fairly smoothly. They are expected to end next wek with agreement on unchanged global quota and price range for 1983-1984 but tougher measures to control sales to non-member countries.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.85	—
Iranian Light	28.20	—
Arabian Heavy	26.60-26.65	+0.02
North Sea (Forties)	30.00-30.30	—
North Sea (Brent)	30.20-30.40	−0.02
African(Bonny Li'ht)	30.40-30.60	−0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	284-288	−5.5
Gas oil	250-254	−1.0
Heavy fuel oil	166-168	—

GAS OIL FUTURES

The market opened unchanged against the New York close reports Premier Man. There was little interest throughout the day and prices moved in a narrow range.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept	250.50	−1.75	251.50-50.50
Oct	255.50	−0.25	257.00-55.00
Nov	259.75	....	260.75-58.25
Dec	263.75	+0.25	264.75-65.25
Jan.	263.75	+0.25	284.25-63.25
Feb.	258.50	−0.50	260.00-60.00
Mar	255.00	....	258.50-55.00
April	252.50	−1.50	254.50-52.50
May	250.00	−2.00	—

Turnover: 1,268 (2,543) lots of 100 tonnes.

GOLD MARKETS

Gold rose $4½ an ounce from Thursday's close in the London bullion market yesterday to finish at $412¾-413½. The metal opened at $412½-413 and traded between a high of $414-414½ and a low of $411-411½. Trading was quiet for most of the day with a slightly firmer performance in the morning underpinned by renewed Middle East fighting.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
Sept	—	—	—
Oct.	412.00-18.0	+4.85	414.40-18.8
Nov.	415.00-20.0	+4.75	—
Dec.	421.60-22.0	+5.60	421.70-18.7
Jan.	424.50-25.5	+5.20	—
Feb.	428.50-29.0	+5.25	—
Mar.	431.80-33.3	+5.25	—

Turnover: 706 (589) lots of 100 troy ounces.

	Sept. 23		Sept. 22	
Gold Bullion (fine ounce)				
Close	$412¾-413½	(£275-275½)	$408¼-409	(£272¼-272¾)
Opening	$412¼-413	(£274½-275)	$411-411¾	(£273¼-273¾)
Morning fixing	$413¾	(£275.042)	$410½	(£272.794)
Afternoon fixing	$413	(£275.058)	$407¾	(£272.015)

Gold Coins Sept. 23					
Krugrnd	$424¼-425	(£282¾-283¼)	King Sov	$98-99½	(£65½-66½)
½ Krg	$219¼-219¾	(£146-146½)	Victoria Sov	$98-99½	(£65½-66½)
¼ Krg	$111¾-112¾	(£74½-75)	French 20s	$82-88½	(£54½-59)
1/10 Krug	$45¾-48¾	(£30½-31)	50 pesos Mex	$500-506	(£333½-337½)
Mapleleaf	[illegible]	[illegible]	100 Cor. Aust	[illegible]	[illegible]
New Sov	[illegible]	[illegible]	$20 Eagles	[illegible]	[illegible]
½ New Sov	[illegible]	[illegible]			

BASE METALS

[illegible]

COPPER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

POTATOES

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

RUBBER

[illegible]

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

[illegible]

AMERICAN MARKETS

Gold and silver attracted buying as the failure to follow-through on the downside this week along with forecasts of a favourable supply and a tense Middle East situation encouraged fresh buying interest. Early buying of copper by commission houses rallied copper values into trade selling which pared gained at the close. Sugar after early buying on reports Poland has stopped export sales came under pressure late in the session on commission house liquidation which might have been linked to the lack of consensus at the International Sugar Agreement negotiations. Coffee contiued to find support on nervous coverage ahead of a potential dock workers strike. Cocoa was under pressure from speculative liquidation on uncertainty over the status of the Ivory Coast crop. Trade was a scale-down buyer on forecasts of dry weather in the cocoa areas. Cotton firmed late as light buying developed in response to a constructive export sales and domestic consumption report. Maize and soyabeans attracted good speculative selling interest due to forecasts for good weather during he first heavy harvest weekend while wheat prices suffered from a lack of export interest. Heating oil lacked trading interest in both cash and futures and as a result, prices remained within the weeks trading range, reports Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2080	2124	2063	2115
March	2073	2134	2068	2127
May	2095	2145	2090	2140
July	2110	2140	2110	2153
Sept	2115	2165	2120	2158
Dec	2128	—	—	2195

COFFEE "C" 37,000 lbs, cents/lb

[illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	9.22	9.47	9.08	[illegible]
Jan	10.10	10.40	10.05	[illegible]
March	10.66	10.93	10.55	[illegible]
May	11.03	11.26	10.94	[illegible]
July	11.26	11.53	11.22	[illegible]
Sept	11.45	11.75	11.45	[illegible]
Oct	11.63	11.91	11.63	[illegible]
Jan	12.05	—	—	[illegible]

CHICAGO

[illegible]

to improve over the day. It also appeared that most of the week-holders of October had now liquidated their New York positions.

Sales: 5,624 (4,686) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £255.50 (£248.50) a tonne for exports.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Sept 22: Daily price 8.62 (8.68); 15-day average 9.45 (9.54).

★

LIVERPOOL—Spot and shipment sales amounted to 106 tonnes. Small replenishments were sought, mostly for delivery by the year-end. Scattered transactions were arranged in Russian and Turkish qualities, while East and West African supplies were not neglected.

... Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but ... which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊙ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—K

L—M

N—P

Q—R—S

T—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

Stroud Riley Drummond 8pcPf(£1) 50 (19/9)

TR Pacific Basin Inv Tst Warrants 206 3 (19/9). 4pcDb £35 (21/9). 4¾pcDb ...

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

InventEnergy (Ex Rights) 2300. New 226

KLP Grp (5p) 111

London and Cont (8p) 36 7

Mainmet Hldgs New (10p) 649½ 70½ 12

Metal Sciences (2.5p) 30 2

New Court Nat Wts 8 (21/9)

Polytechnic Marine (5p) 237 40½ 40 1½ 5

Promotions Hse (5p) 28½ 9½

Rayford Supreme 228

Real Time Control (5p) 208 10 2

Rivlin (I.D.andS.) (5p) 68

SCUSA ($0 01) 102 3 ½ 4 5

Sinclair (Wm) 73 (21/9)

Southern Bus (10p) 91 3 4 5

Sunleigh Electronics (10p) 17

Technology for Bus (10p) 82 (21/9)

Television South 14/20pc Subord 1986-88 £111 (19/9)

Thorpac Grp (5p) 40 (16/9)

United Friendly Ins. B (RestVtg) (10p) 200 (21/9)

Willaire Systems Rest Dly 4½ (21/9)

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 90 5 (19/9)

AOG Minerals 17 (21/9)

Acorn Secs 56 (21/9)

Adobe Oil Gas £160

Aetna Life Cas $US36⅞0 (20/9)

Agnico-Eagle Mines 985

Alliflex Hldgs 212 (21/9)

Alliance Oil Devel 580 (20/9)

Amatil 151

American Cyanamid £35¼ (16/9)

...

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

...

Davitree Brewery (£1) £11.35 0.45

...

Rankin Purser (5p) ½ 1 (20/9)

...

Southern Newspapers ...

Wolverhampton Racecourse 97 ... (16/9)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Conroy Pet Nat Res (Ir£0.25) 145 50 60

Energy Sources (N.I.) B (10p) 5 6½ 7

(By permission of the Stock Exchange Council)

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

Target Trust Mngrs (Jersey) Ltd

PO Box 194, St Helier, Jersey. 0534 27441

Shares in Apple Computer plunge on gloomy forecast

BY LOUISE KEHOE IN SAN FRANCISCO

APPLE COMPUTER, the California-based personal computer manufacturer, has announced that it expects a sharp drop in fourth quarter profits. Mr John Sculley, president and chief executive officer, said profits for the fourth quarter ending next Friday would be $5m to $8m, down from $15.7m for the same quarter last year.

The announcement shocked industry analysts and sparked off major sales of Apple stock. In early trading yesterday on the U.S. over-the-counter market, Apple's shares fell $8¼ to $24¼, knocking more than a quarter off Apple's market value.

Mr Sculley, who joined Apple in May, blamed the reverse in Apple's fortunes on flat sales, expected to equal third quarter sales of $267m.

He also cited special write-offs associated with transferring manufacture of the Lisa computer—where price was cut by 18 per cent this week—to volume manufacturing plant in Dallas and Cork, Ireland.

A second write-off would be caused by Apple's decision to buy disk-drives from third parties instead of making its own. Mr Sculley said Apple believed it could buy disk drives more cheaply outside.

Apple's biggest problem however is increasing competition. For so long an industry leader, Apple has now ceded that position to IBM, whose personal computer now dominates the all important business sector of the personal computer market.

The Apple II, which represents more than 85 per cent of the company's revenues, is a seven-year-old product that has been outdated by computers introduced by IBM and a host of other manufacturers.

Retailers report that the Apple II is still selling well, but only to home computer users and educators. "The Apple II is no longer viable in the small business market," commented Mr Ralph Gilman of Infocorp, a market research company.

As a home computer, Apple's $1,300 machine must compete with offerings from Commodore, Atari and others whose personal computers cost under $500. Worse, IBM is expected to enter the home computer market soon with its Peanut product, expected to sell for $600-$700.

Zanussi in German joint venture

By James Buxton in Rome

ZANUSSI, Italy's leading maker of home electrical products (white goods), has made an important co-operation agreement with Zanker, the West German white goods maker. The agreement allows Zanussi the option of buying up to half of Zanker over the next three years.

Zanker will produce Zanussi washing machines under licence in one of its German factories, using Zanussi know-how and components. The two companies will also co-operate in the manufacture and sale of other products, which Zanussi says will increase the export of its products to the West German market.

The option to buy up to half of Zanker has been taken by Zanussi International Holding, based in Luxembourg.

Zanker was for a time owned by AEG. It recently regained autonomy, and has three companies in West Germany and associate companies in Holland, Belgium and Switzerland. Its 1983 sales are expected to exceed DM 200m ($75m).

Trafalgar Housing falls steeply into the red

BY OUR FINANCIAL STAFF

TRAFALGAR HOUSING, the Hong Kong property developer and resources group, suffered an attributable loss of HK$645.9m (U.S.$78.8m) in the year to March compared with a profit of HK$173.1m previously.

The group made a small operating profit, of HK$6.49m (compared with HK$320.7m), before interest charges and provisions arising from the write-down of the values of its Hong Kong property portfolio and before deducting losses incurred on its U.S. oil, gas and gold mining operations.

In the U.S. losses and provisions totalled HK$488m and operations have had to be severely curtailed. The group says that it has been able to reach an agreement with its U.S. bankers, subject to certain conditions, which would allow a long-term rescheduling of its debts in America.

The write-down on its Hong Kong property portfolio saw a fall in group assets in this area of HK$134m.

After adjusting for these losses, the net book value of the company's assets was HK$143m, Trafalgar says. It adds that all the calculations on provisions are based on the assumption of continued support from its bankers.

As it has already announced, the group has been experiencing cash flow difficulties and is negotiating a long-term debt rescheduling programme with its creditors.

Trafalgar said it is actively continuing its assets disposal programme, which has reduced group liabilities by more than HK$125m since the balance sheet date, March 31.

In April Trafalgar announced it was cancelling an already declared interim dividend of 2 cents for the year ended March 31 because of the expected level of provisions to be made.

It also said it would not pay the dividend of 4.5 cents in respect of each 9 per cent convertible redeemable preference share which was due for the period from November 1 1982, to April 30 1983.

For the previous year it paid a total dividend of 21 cents, made up of an interim of 6 cents and a final of 15 cents.

Profits soar at Belgian chemicals group

By Paul Cheeseright in Brussels

NET PROFITS at UCB, the Belgian chemicals, pharmaceuticals and film group spurted ahead in the first half of this year, responding to improved market conditions and the disposal of unprofitable units.

At BFr 848m ($15.6m) net profits for the six months to June were almost exactly double those for the same period of 1982, UCB disclosed yesterday. For the whole of 1982 net profits were BFr 872m.

Although BFr 233m of the profits arose from the sale of agrochemical interests to Rhone-Poulenc Agrochimie of France, the balance is still substantially ahead of earnings at this time last year.

UCB is not predicting the final outturn for this year beyond saying that it will be substantially ahead of 1982 if the slow economic recovery continues. About a quarter of the group's sales are in Belgium and about two-thirds in other parts of West Europe.

Sales in the 1983 first half in absolute terms were slightly down on the comparable period last year at BFr 14.6bn. If the disposal of UCB's fertiliser division to BASF of West Germany is stripped out, they rose by 6.3 per cent.

Two U.S. companies plan heavy spending

By Our Financial Staff

THE GROWING confidence of U.S. business in the durability of the economic recovery was emphasised yesterday when two major U.S. companies announced their latest spending plans.

Pratt & Whitney the aero-engine unit of United Technologies, said it planned to invest $1.5bn in the next eight years to modernise its four Connecticut manufacturing plants.

Meanwhile, Exxon Company USA, the chief domestic subsidiary of Exxon, the U.S. oil major, plans to spend more than $500m to upgrade its biggest refinery to process lower-cost crude oil.

When the project is completed in 1987, the Baytown, Texas, refinery will be able to upgrade residual components to lighter products and to produce fuel gas to help run the refinery.

Philippines asked to mark time on car industry plan

BY EMILIA TAGAZA IN MANILA

THE FIVE car makers in the Philippines, with their U.S. and Japanese partners, have requested the government to reconsider its dramatic rationalisation plans for the industry.

Recently President Ferdinand Marcos decreed a reduction of the number of participants in the Progressive Car Manufacturing Programme (PCMP) from the current five to two, and the Board of Investments (BOI) asked the carmakers to submit bids.

The contenders in this contests are: Delta Motor, which has a tie-up with Toyota Motor of Japan; Ford Philippines, with a working tie with Toyo Kogyo; Carco with Mitsubishi links; General Motors Philippines, related with Isuzu; and Pilipinas Nissan.

The car companies agree that the reduction of their number from five to two may help rescue the faltering industry, but they argue that the bidding requirements are too burdensome and would not help any of the companies. Mr John Sagovac, Ford Philippines president, said the timetable of two years allowed from the start of the new scheme for the companies to achieve a foreign exchange balance "is too short a period."

The companies have therefore proposed to the BOI that instead of competitive bidding, the five companies compete for three more years under a "survival of the fittest scheme." The companies suggest that whoever achieves a higher net foreign exchange earnings during the three-year period will have the advantage in the selection.

Earnings ahead at Agnelli unit

By Our Rome Staff

IFI (Istituto Finaziario Industriale), the finance company owned by the Agnelli family which has 31 per cent of Fiat, made slightly increased net profits in the year to June 30 1983.

Net profit was L14.8bn ($9.2m), compared with L12.5bn for the previous year. The profit figure was reached after diverting L6bn to the risk fund. Dividends received during the year were substantially higher than in 1981-82, at L29.3bn compared with L16.5bn. An unchanged dividend of L50 is being paid.

Swire Pacific doubles income

BY OUR HONG KONG CORRESPONDENT

SWIRE PACIFIC, the diversified Hong Kong group whose main subsidiaries include Swire Properties and Cathay Pacific Airways, has reported interim net profits more than doubled at HK$435.1m (U.S.$53.1m) after tax and minorities.

In 1982, Swire Pacific reported net profits of HK$200.9m for the first half, and HK$600.7m for the full year.

Mr Duncan Bluck, the Swire Pacific chairman, said that profits for the full year would be "significantly higher" than those seen in 1982, but year-on-year profits growth would slow from the 117 per cent seen in the first half, reflecting the higher proportion of 1982 earnings which the group reported in the second half of that year.

The interim dividend is raised to 31 cents from 24 cents on A shares, and from 4.8 cents to 6.2 cents on B shares. Mr Bluck said the final dividends would be at least double those paid at the interim stage. Last year, Swire Pacific paid full year dividends of 76 cents on A shares and 15.2 cents on B shares.

Swire Pacific's profits growth was fuelled mainly by Cathay Pacific Airways, which doubled profits in the half thanks to an increased load factor. The privately-held Cathay is now the group's largest profits contributor, displacing the quoted subsidiary, Swire Properties, which has reported a 19 per cent increase in net profits.

KLM issue to raise $64m

By Our Financial Staff

KLM, the Dutch state airline, is raising $64m through the share offering in the U.S. already announced. The 1.34m shares will be priced at $48.135 each.

The new shares will increase KLM's shares outstanding to 5.9m. The money will be used to maintain strong financial ratios at a time of heavy spending on new aircraft and equipment.

Strong growth at Singapore bank

SINGAPORE — Development and Commercial Bank (DCB) said its after tax group profit rose by 36.5 per cent in the first half of this year, to almost 13.6m ringgit (U.S.$15.5m). For the bank alone, profits rose by 40.7 per cent to 8.1m ringgit.

DCB said total deposits rose by 40 per cent on the group level, to 2.1bn ringgit and by 39 per cent on the bank level to 1.8bn ringgit.

Total loans and advances rose by 47 per cent for the group, to 1.4bn ringgit and by 40 per cent for the bank, to 1bn ringgit.

Assets rose by 47 per cent at both the group and bank levels, to 3.1bn and 2.5bn ringgit, respectively.

The bank said its first half results were "satisfactory" in view of the current economic situation but it did not announce any dividend.

AP-DJ

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

MARKET REPORT

Leading equities quiet awaiting BP dealings on Monday

Gilts firm on cheaper money hopes

Account Dealing Dates

Option First Dealings	Declarations	Last Dealings	Account Day
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24

* "New-time" dealings may take place from 9.30 am two business days earlier.

The first leg of the trading Account was brought to a tame close. Equity markets marked time awaiting allocations in the oversubscribed BP tender offer, while gilts attracted only a small amount of business.

Confirmation that the issue of 130m BP shares was oversubscribed, and estimates that the striking price will be around 430p helped BP to close the day a couple of pence harder. Other leading blue chips opened higher in sympathy with Thursday's all-time peak attained on Wall Street, but drifted back on lack of follow-through support to close mixed.

The list of companies reporting trading statements was shorter than of late but numerous features were still to be found. Blue Circle, an FT index constituent, cheapened on worries about the Mexican peso, while Dunlop gave further ground in the wake of an analysts' meeting called to discuss the group's deal with Sumitomo of Japan. Food Retailers, on the other hand, were firm again with both ASDA and Tesco showing to advantage. Up 1.3 at the start, the index closed 1.2 down on balance but still 12.7 up on the week at 706.9.

Gilts remained firm as the scent of cheaper money grew stronger. Bolstered by the overnight jump in U.S. bond prices, quotations pushed forward from the start, albeit in thin trading. Hopes of an early ½-point cut in clearing bank base rates increased when this week's Treasury Bill Rate was shown to have dropped below £9 per cent for the first time since last November. Late sentiment was also helped by the absence at the official close of a tap replacement stock. Gains in short-dated maturities ranged to around ⅜, while those in the longs stretched to ½, and the FT Government Securities index rose 0.36 to close the week at 82.17, its highest for nearly three months.

Hong Kong shares quoted in London suffered a fresh setback in sympathy with a drop of 63 points in the Hang Seng index on concern about the outlook for the colony.

Big Banks revive

Gold shares regained some composure after Thursday's weakness which stemmed from U.S. selling in an unwilling market. Technical considerations and demand emanating from Johannesburg fuelled the rally which helped the FT Gold Mines index, at 625.2, to retrieve 10.4 of Thursday's fall of 36.7.

Clearing Banks staged a modest revival after the recent spell of inactivity. Lloyds, 508p, Midland, 443p, and NatWest, 628p, all gained 3, but Barclays managed only a small rise at 473p. Bank of Scotland, which earlier in the week announced increased half-year profits, made fresh headway to 520p, up 7, but Far-Eastern worries lowered Hongkong and Shanghai 4 to 55p, after 54p.

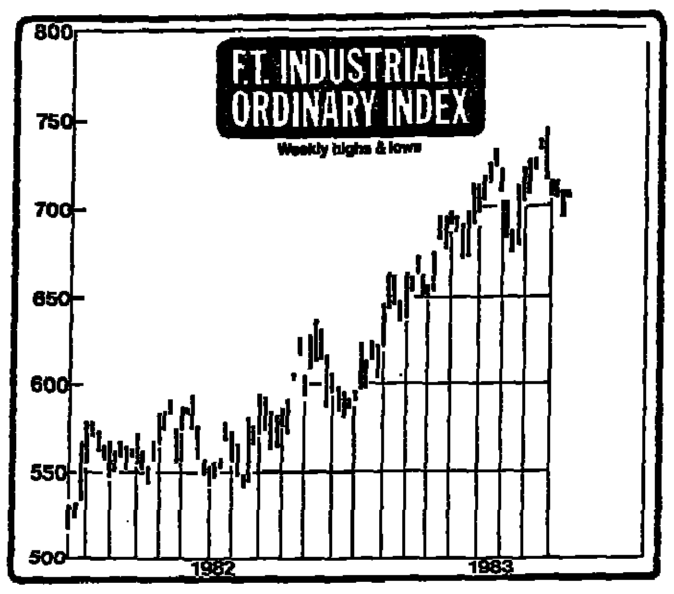
Eagle Star encountered another of the now familiar flurries of speculative interest and jumped 25 to 480p. Royal picked up 10 at 525p, while broker Willis Faber improved 3 more to 560p following a broker's recommendation.

Unlisted Securities Market newcomer Flextech found fresh support and firmed 6 on 170p compared with the placing price of 140p.

Building issues ended an eventful week on a subdued note. Still reflecting disappointment with the preliminary results, Barratt Developments shed 4 for a two-day fall of 20 to 202p, while further consideration of the uninspiring figures left Newarthill 30 lower at 560p, the latter in a thin market. Taylor Woodrow gave up 10 to 520p and George Wimpey softened a couple of pence to 117p, while AMEC and John Mowlem shed 4 apiece to 212p and 182p respectively. Against the trend, French Kier firmed 4 to 100p following a broker's circular. Elsewhere, Baggeridge Brick put on 6 to 106p on speculative interest, while Breedon and Cloud Hill gained 12 to 267p in a narrow market. Helical Bar and Edward Jones, two recent high-flyers, both encountered profit-taking, the former shedding 3 to 75p and the latter 2 to 40p. In Timbers, Travis and Arnold hardened 4 to 320p ahead of Monday's interim results, while revived demand left Trent Holdings 5 dearer at 197p. Blue Circle dipped to 410p on Mexican currency worries before picking up to close just 3 cheaper on balance at 415p.

Despite Wall Street's 14 point rise to a record high, ICI drifted progressively lower and settled 6 down at 528p. Other Chemicals also had a subdued look, but Brent attracted interest following Press comment and firmed 3 to 109p: the interim results are due next Tuesday. A broker's recommendation stimulated interest in Rentokil which firmed 3 to 118p, but suggestions that profit estimates had been downgraded clipped a penny from Croda International to 94p. Yorkshire Chemical attracted occasional interest and hardened a couple of pence to 79p.

Stores presented all-round firmness with British Home 6 higher at 221p helped by Press mention. Other leading Retailers were about 4 up, including Debenhams, which closed at a peak for the year of 141p. Among Mail Order concerns, Empire stood out with a jump of 10 to 68p; the interim figures statements helped Northern



Goldsmiths, 212p, and Liberty, 152p, up 4 apiece, while investment advice took both Sumrie, 87p, and A. Caird, 76p, up a couple of pence.

Largely reflecting the efforts of a single buyer, Lambert Howarth improved 6 to 160p. are due next month. Trading

Int. Signal good

A brief extension of Thursday's improved trend soon faded and the Electrical leaders closed uncertain again. International Signal, which following recent registration is now one class of stock, provided an exception: a follow-through of support which developed late on Thursday, took the shares up 20 to 184p. Features elsewhere included Unitech, up 17 at 220p, after 227p, on the chairman's indication of a significant profits increase at the halfway stage. Muirhead continued in demand and rose 6 to 134p, while Farnell gained 7 to 340p and Electrocomponents 9 to 266p. Buying of Phicom, up 3½ at 35½p, accompanied suggestions of a "House" tip. ICL revived 5 to 63p following the appointment of Sir Michael Edwardes as chairman, while Newman Industries jumped 4 to 19p on improved interim results.

Vickers, a couple of pence cheaper at 114p, continued to drift lower following comment on the interim figures. Other leading Engineers were rarely altered after another slow day's trading. Westland responded to investment demand with a rise of 11 to 145p, while a fresh gain of 12 to 110p in Evered gave rise to takeover talk. S. W. Wood, 2 firmer at 13p, reflected the reduced annual loss. Haden, in contrast, remained a poor market and eased 5 further to 215p on the disappointing interim statement. Ransomes Sims, a rising market earlier in the week on good half-yearly figures, encountered profit-taking and lost 5 to 270p. Brown and Tawse, still reflecting the Caparo Industries stake, improved a couple of pence to 94p for a rise of 21 on the week.

The emphasis in Foods switched back to Retailers and Tesco became prominent again, rising 6 to a 1983 peak of 176p in a market short of stock. Associated Dairies also attained a year's high, at 178p, up 4, while Cullen's Stores gained 20 to 225p and the 'A' 25 to 190p on re-rating suggestions. Elsewhere, Brooke Bond firmed 2 to 73p; the annual results are due soon. Bluebird Confectionery shed 4 to 72p following the preliminary results and the chairman's cautious statement, while Barker and Dobson gave up a penny to 9¼p after the interim figures. Rowntree Mackintosh hardened a couple of pence to 212p in response to a broker's recommendation.

Rumours that Taddal Investments may add to its stake in the company prompted speculative demand for Prince of Wales Hotels, which touched 127p before closing a net 7 up at 125p. Buying ahead of next Wednesday's interim results lifted Garfunkels 5 to 170p. Ladbroke also attracted support and firmed 4 to 208p, while Trusthouse Forte improved 3 to 168p.

H. Kong issues flat

Hong Kong issues suffered renewed depression. Closing losses ranged to 12 as in Jardine Matheson, 82p, and around 10 in Swire Pacific "A" 90p, and Hutchison Whampoa, 81p, after 79p. UK miscellaneous Industrials met with mixed fortunes with BTR 8 higher at 545p, but Bowater 5 down at 205p. Turner and Newall slipped back 3 to 67p. On a brighter note, Dalgety continued to respond to the record profits, closing 4 up for a gain on the week of 26 to 408p. Spring Ram jumped 12 to a 1983 peak of 170p and Securiguard closed similarly higher at 155p. Dwek moved up 1½ more to 24p, making a gain of nearly 10 since last Monday's tip-sheet recommendation. Investment advice helped Dolland to move up 10 to 280p and Kean and Scott to harden 2 further to 50p, while Press mention lifted Star Computers 10 to 305p. Sell advice left Rank Organisation 4 down at 183p. George Wills ended the same amount easier at 154p on the interim profits setback. Still mirroring the impressive half-year results, Sandhurst Marketing gained 4 more to 100p. Elsewhere, London and Northern continued in demand and rose 4 to 75½p, while Courtney Pope put on 5 at 90p. Late news of the heavier loss set Charles Hill back 4 to 80p.

Continuing to reflect disappointment with the deal with Sumitomo, Dunlop, already another 3 lower at 54p, gave further ground following a meeting with analysts and the close was a net 6 down at 51p. BL's first-half figures came as no surprise, and the shares, unmoved before and immediately after the announcement, subsequently drifted back to close 5 down at 72p. On a brighter note, Lex Service rose 7 to 330p on investment demand, while Henlys put on 5 to 88p, after 90p; Gregory Securities has increased its stake in the latter to 6.39 per cent.

Advertising agencies made a bright showing. Saatchi and Saatchi featured with a gain of 50 to 540p, overnight U.S. demand stimulating London buying. Boase Massimi Pollitt, still reflecting good interim figures, firmed 5 for a gain on the week of 22 to a 1983 peak of 378p.

Properties staged a revival on small demand. Land Securities firmed 5 to 314p and MEPC 3 to 214p, while Great Portland Estates, 130p, and Peachey, 161p, both hardened a couple of pence. Elsewhere, Marler Estates gained 6 to 91p on the acquisition of S. B. Property for £1.25m; the latter's main asset is Stamford Bridge, the football ground of Chelsea FC. Westminster and British and Commonwealth revived with a rise of 10 to 900p in Shippings. P. and O. Deferred, the recent subject of a broker's recommendation, edged up a penny to 228p.

Textiles were noteworthy for a flurry of buying interest in Courtaulds, which put on 4 to 98p. Occasional gains elsewhere in the sector included Allied, a similar amount higher at 252p, and Tootal, 1½ dearer at 35½p.

Comment on the recent interim figures continued to stimulate support for Bats, which improved 3 further to 147p.

Park Place, still responding to the results and proposed one-for-five scrip issue, gained 5 further to 198p, while other Financials to make progress included Exco International, up 10 more at 525p, and Akroyd and Smithers, 4 dearer at 360p. Aitken Hume encountered further scattered profit-taking after recent firmness on the Canadian and U.S. deals and eased 2 more to 195p.

Leading Oil shares failed to hold best levels, but still finished a little better on balance. Sentiment was helped by the success of the Government's BP share sale. BP settled a couple of pence firmer at 436p, after 438p, while Shell closed 4 dearer at 622p. Britoil continued to make progress with a further gain of 6 to 258p, but Burmah reacted 4 to 171p, the latter still on the denial of bid intentions from Herron Corporation. The speculative exploration stock recorded several outstanding features. Hamilton Oil slumped 32 to 185p on the proposed consolidation terms. Hadson, in contrast, advanced 12 to 116p on Spanish exploration hopes, while Invent Energy moved up 32p to 258p following speculation about a possible French oil discovery. Sun (UK) Royalty revived with a jump of 30 to 285p. Among the Irish explorers, Atlantic Resources closed 10 cheaper at 450p after another volatile session.

Lonrho were supported among Overseas Traders and rose 4 to 108p; the group has reached agreement to operate a casino in the Bahamas.

Plantations continued to respond to the rising price of palm oil. London Sumatra, 287p, and Kinta Kellas, 190p, gained 12 apiece, while Malaysia moved up 10 more to 142p. Castlefield (Klang), which has sold its interest in Castlefield Developments, also gained 10, to 650p.

Rally in Golds

A difficult week in mining markets closed with Gold shares staging a good recovery after the big losses sustained on Thursday when the Gold Mines index registered its biggest one-day fall for five months.

Thursday's sharp falls followed heavy overnight American selling which again prevailed yesterday. However, a much firmer performance by the bullion market, which closed $4.5 higher at $413.125 an ounce—a week's rise of $7—encouraged persistent "cheap" buying from Johannesburg and numerous Continental centres.

The Gold Mines index regained 10.4 to 625.2 to reduce the fall on the week to 16.9.

Outstanding performances among the heavyweights included Hartebeest, £1½ to the good at £53½. Gains of around a full point were common to Randfontein, £93½, Doornfontein, £16⅞, and President Brand, £31⅞. In the cheaper-priced issues, ERGO were notably firm, moving up 22 to 506p, while similar rises were recorded by Leslie, 313p, Elandsrand, 383p, and Welkom, 949p.

Financials were mixed and remained overshadowed by Golds. London issues lost further ground in quiet trading. RTZ dipped 3 to 637p, after an initial 642p, despite the sharply increased interim profits and the higher dividend announced on Wednesday. Charter Consolidated fell 5 to 250p.

The Bermuda-domiciled Minorco, which on Monday announced full-year results in line with market expectations, held steady at 750p.

BP again dominated proceedings in the Traded Option market; of the 2,712 contracts completed, 878 were done in BP positions. This comprised 698 calls-205 transacted in the October 420 series—and 180 puts. Lonrho revived with 395 calls and 18 puts arranged.

FINANCIAL TIMES STOCK INDICES

	Sept. 23	Sept. 22	Sept. 21	Sept. 20	Sept 19	Sept. 16	year ago
Government Secs.	82.17	81.81	81.83	81.86	81.71	81.15	78.80
Fixed Interest	84.09	83.94	83.91	83.86	83.66	83.31	79.85
Industrial Ord.	706.9	708.1	705.0	705.2	705.3	694.2	581.6
Gold Mines	625.2	614.8	651.5	653.1	647.6	642.1	370.6
Ord. Div. Yield	4.76	4.83	4.86	4.85	4.85	4.92	4.95
Earnings, Yld.% (full)	9.46	9.53	9.59	9.57	9.57	9.72	10.96
P/E Ratio (net) (*)	13.24	13.12	13.04	13.06	13.07	12.87	10.94
Total bargains	19,775	18,909	19,436	20,684	20,586	19,896	18,473
Equity turnover £m.	—	192.25	194.34	156.57	170.25	225.50	164.08
Equity bargains	—	16,617	16,119	16,458	19,289	19,065	14,561
Shares traded (ml)	—	117.8	117.2	111.6	114.3	156.9	115.8

10 am 709.4. 11 am 709.2. Noon 709.2. 1 pm 708.1. 2 pm 707.8 3 pm 708.9.

Basis Govt. Secs. 16/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.45.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/9)	598.4 (12/1)	740.4 (22/9/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (23/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 22	Sept. 21
—Daily		
Gilt Edged Bargains	149.3	158.4
Equities Bargains	101.2	104.4
Value	388.6	393.8
5-day Avrge		
Gilt-Edged Bargains	159.6	157.0
Equities Bargains	112.0	112.5
Value	383.6	400.8

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, September 22, 1983.

Newspapers, Publishing	+54.59	500 Share Index	+15.37
Oils	+47.33	Food Retailing	+15.22
Other Industrial Materials	+47.31	Metals and Metal Forming	+14.86
Motors	+45.63	Health and H'sehold Products	+14.28
Shipping and Transport	+44.29	Insurance Brokers	+12.03
Office Equipment	+39.93	Property	+11.41
Chemicals	+38.34	Gold Mines Index	+10.48
Packaging and Paper	+34.97	Industrial Group	+10.01
Mining Finance	+32.80	Consumer Group	+ 7.58
Other Groups	+31.72	Discount Houses	+ 7.36
Banks	+28.08	Building Materials	+ 6.74
Merchant Banks	+28.08	Capital Goods	+ 5.97
Other Consumer	+27.46	Engineering Contractors	+ 5.70
Insurance (Life)	+26.98	Food Manufacturing	+ 4.74
Overseas Traders	+26.74	Stores	+ 3.20
Insurance (Composite)	+26.27	Mechanical Engineering	+ 1.91
Investment Trusts	+23.61	Electricals	− 1.55
Financial Group	+22.60	Brewers and Distillers	− 2.33
Textiles	+21.78	Contracting, Construction	− 2.71
Leisure	+21.27	Tobaccos	− 5.02
All-Share Index	+17.45		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	Oct 21	Jan 5	Jan 16

For rate indications see end of Share Information Service

Stocks to attract money for the call included Inter-City, Pennine Resources, JSD Computers, Stothert and Pitt, Jardine Matheson, ICL, Barratt Developments, Cadbury Schweppes, UKO International, John Brown, London and Liverpool, Hong Kong and Shanghai Bank, Wheelock Marden A, Dunlop, Datastream and Edenspring. A put was arranged in Sons of Gwalia, but no double options were reported.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net. Div.	Times Covered	Gross Yield	P.E. Ratio
10	F.P.	—	24	20½	✱A. & M. Hire 10p	23	+1	b0.1	11.1	0.6	14.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date		1983 High	1983 Low	Stock	Closing price	+ or −
92	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1250cts	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‖	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20cts	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
440	Nil	—	—	85pm	62pm	Exco Int'l. 10p	85pm	+15
82	F.P.	—	28/10	89	80	✱Floyd Oil 10p	85	+5
40	Nil	—	14/10	61	51	Group Lotus Car 10p	60	+1
17	Nil	—	—	3pm	2pm	Helene of London 10p	2½pm	......
50	F.P.	—	—	86	72	‡‡MarineX Pet. 10p	80	......
350	F.P.	—	28/9	455	425	Midland Bank £1	442	+5
35	Nil	—	—	10pm	7½pm	Munton Bros. 10p	7½pm	−2
A$2	Nil	—	—	70pm	65pm	Nat. Com. Bk Aust. $A1	70pm	+5
80	F.P.	—	21/10	87	81½	Nesco Invs	86	−1
80p	F.P.	15/9	21/10	29	24	Parkdale 10p	29	......
11	Nil	—	—	8pm	6½pm	✱Parkfield Foundries 5p	8pm	......
120	Nil	—	—	9pm	8pm	Pritchard Servs	8pm	−½
10	F.P.	—	30/9	13	11¼	✱Sheraton Secs. 10p	13	......
95	F.P.	—	14/10	143	126	Steinberg 10p	139	......
310	Nil	—	25/10	58pm	42pm	Tate & Lyle £1	44pm	......
175	F.P.	—	30/9	240	205	Unitech 10p	225	+18
210	Nil	—	—	30pm	25pm	Utd. Newspapers	30pm	......
180	F.P.	21/9	21/10	233	230	✱Webber Electro 12½p	235	+1
$US1.72	Nil	—	—	115pm	65pm	Weeks (B'muda) 10cts	82pm	+2
$US1.72	Nil	—	—	130pm	80pm	Do. Aust. 10cts	98pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3).

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Sept 23 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Sept 22 Index No.	Wed Sept 21 Index No.	Tues Sept 20 Index No.	Mon Sept 19 Index No.	Year ago (approx.) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (207)	454.48	—	9.07	3.88	14.26	454.63	450.01	452.51	453.04	432.67	484.42 (26/4)	413.64 (27/1)	484.42 (26/4/83)	50.71 (13/12/74)
2	Building Materials (23)	429.33	—	10.85	4.70	11.61	429.46	428.39	424.21	423.15	350.06	462.65 (15/3)	402.34 (1/1)	462.65 (15/3/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	704.51	−1.0	13.01	5.08	9.62	711.56	717.23	715.82	720.16	648.77	831.09 (15/3)	704.51 (23/9)	831.09 (15/3/83)	71.48 (2/12/74)
4	Electricals (36)	1666.69	−0.3	7.92	2.28	16.42	1671.76	1635.31	1663.89	1667.33	1830.63	1909.93 (3/6)	1523.07 (27/1)	1909.93 (3/6/83)	84.71 (25/6/62)
5	Engineering, Contractors (10)	457.33	+0.3	14.61	6.08	8.53	455.76	458.71	457.61	458.07	457.09	503.86 (27/4)	391.02 (1/2)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (64)	198.01	+0.5	11.92	5.64	10.54	197.03	196.64	196.43	196.32	199.18	225.27 (27/4)	193.53 (1/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (10)	168.73	−0.5	11.22	6.95	10.78	169.59	168.73	169.05	168.80	138.54	187.60 (7/4)	147.68 (4/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	112.73	—	—	4.57	—	112.73	114.06	114.18	114.89	76.67	122.50 (22/8)	76.73 (24/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (16)	540.61	+1.1	5.61	4.33	23.66	534.47	529.68	528.87	529.33	352.84	554.92 (16/8)	362.82 (1/1)	554.92 (16/8/83)	277.55 (15/1/81)
21	CONSUMER GROUP (199)	435.77	+0.7	10.41	4.46	11.76	432.52	429.41	428.26	427.62	363.46	446.20 (22/8)	395.44 (12/1)	446.20 (22/8/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	440.49	+0.2	12.72	5.17	9.82	439.71	438.21	437.10	433.33	395.69	486.54 (15/2)	431.49 (16/9)	486.54 (15/2/83)	69.47 (13/12/74)
25	Food Manufacturing (22)	341.26	+0.8	13.44	5.88	8.68	338.42	337.74	334.47	334.78	302.89	350.37 (10/3)	318.68 (23/5)	350.37 (10/3/83)	59.67 (11/12/74)
26	Food Retailing (13)	1001.24	+1.1	6.91	2.55	18.59	990.36	986.94	981.87	980.78	745.66	1001.24 (23/9)	815.37 (30/3)	1001.24 (23/9/83)	54.25 (11/12/74)
27	Health and Household Products (8)	759.64	+0.3	5.88	2.71	20.17	757.67	757.45	767.89	772.00	561.17	879.98 (18/4)	663.01 (1/1)	879.98 (18/4/83)	175.38 (28/5/80)
29	Leisure (22)	565.70	+0.5	8.98	4.81	14.37	562.83	559.39	561.04	560.34	436.13	587.90 (22/8)	451.80 (12/1)	587.90 (22/8/83)	54.83 (9/1/75)
32	Newspapers, Publishing (15)	969.83	+0.1	8.12	4.86	15.03	969.04	969.07	968.89	968.64	532.55	1003.55 (6/9)	619.26 (4/1)	1003.55 (6/9/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	189.06	−0.8	10.86	5.25	11.35	190.59	191.99	189.39	188.39	141.32	197.56 (18/8)	139.78 (4/1)	197.56 (18/8/83)	43.46 (6/1/75)
34	Stores (47)	396.68	+1.4	8.04	3.78	16.85	391.32	386.61	384.31	382.82	352.02	403.06 (22/8)	342.40 (24/1)	403.06 (22/8/83)	52.63 (6/1/75)
35	Textiles (22)	211.32	+1.2	11.82	5.46	10.10	208.80	208.70	208.11	208.73	169.71	219.74 (22/8)	171.44 (1/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	428.42	+1.4	23.26	7.42	4.81	422.47	404.83	398.89	398.89	397.00	516.31 (3/2)	395.33 (10/8)	516.31 (3/2/83)	94.34 (13/6/62)
39	Other Consumer (10)	427.28	+0.3	5.70	4.81	—	425.98	424.42	424.39	426.81	289.13	438.16 (5/9)	334.21 (1/1)	438.16 (5/9/83)	229.84 (28/9/81)
41	OTHER GROUPS (79)	381.70	−0.5	8.34	4.50	15.14	383.45	381.92	382.36	382.29	266.82	401.25 (11/8)	288.55 (12/1)	401.25 (11/8/83)	58.63 (6/1/75)
42	Chemicals (15)	524.51	−0.6	8.62	4.83	15.18	527.68	525.94	527.45	525.56	344.57	562.43 (11/8)	379.93 (12/1)	562.43 (11/8/83)	71.28 (1/12/74)
44	Office Equipment (6)	111.74	−1.3	8.58	4.60	14.87	113.27	111.08	112.86	113.37	98.41	121.17 (5/8)	80.95 (1/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (15)	754.39	+0.4	6.97	5.39	20.12	751.74	754.02	749.77	742.52	538.53	754.39 (23/9)	520.64 (4/1)	754.39 (23/9/83)	90.80 (29/6/62)
46	Miscellaneous (43)	511.78	−0.4	8.39	3.98	14.28	513.92	511.58	511.36	513.73	367.90	541.97 (22/8)	409.35 (12/1)	541.97 (22/8/83)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (485)	437.90	+0.3	9.65	4.27	12.95	436.58	433.22	433.49	433.32	373.36	454.25 (22/8)	391.26 (12/1)	454.25 (22/8/83)	59.01 (13/12/74)
51	Oils (15)	1037.77	+0.5	10.85	5.75	11.19	1032.48	1018.64	1020.74	1013.54	702.97	1071.68 (15/8)	693.58 (28/2)	1071.68 (15/8/83)	87.23 (29/5/62)
59	500 SHARE INDEX	488.31	+0.3	9.87	4.54	12.59	486.65	482.41	482.83	482.06	400.46	505.31 (18/8)	419.14 (12/1)	505.31 (18/8/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (123)	331.38	+0.9	—	5.78	—	328.51	329.38	328.62	327.46	255.84	342.09 (22/8)	267.24 (4/1)	342.09 (22/8/83)	55.88 (13/12/74)
62	Banks (6)	359.02	+1.2	23.92	7.10	4.56	354.66	356.18	356.78	353.79	265.16	363.93 (27/5)	273.48 (4/1)	363.93 (27/5/83)	62.44 (12/12/74)
63	Discount Houses (8)	313.28	+0.3	—	8.64	—	312.44	312.16	312.16	311.58	283.92	316.24 (26/4)	270.71 (31/1)	334.35 (14/10/82)	81.40 (10/12/74)
65	Insurance (Life) (9)	453.15	—	—	4.90	—	453.29	454.41	453.14	451.03	311.35	498.12 (18/8)	332.67 (12/1)	498.12 (18/8/83)	44.88 (2/1/75)
66	Insurance (Composite) (10)	224.44	+1.7	—	6.84	—	220.64	221.70	219.73	218.01	164.17	240.49 (17/8)	174.73 (4/1)	240.49 (17/8/83)	43.96 (13/12/74)
67	Insurance Brokers (7)	549.40	+0.1	12.36	5.29	11.09	548.91	536.14	533.68	536.08	524.61	631.47 (12/4)	489.98 (1/1)	631.47 (12/4/83)	65.86 (16/12/74)
68	Merchant Banks (13)	195.38	+0.2	—	4.77	—	194.95	196.12	197.81	199.51	143.90	208.23 (31/8)	152.21 (1/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (53)	464.02	+0.8	6.11	4.04	21.97	460.38	462.41	461.33	459.59	419.13	483.94 (25/4)	410.37 (12/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (17)	236.32	+0.5	12.13	5.65	9.90	235.13	235.29	234.72	237.56	164.93	263.61 (25/3)	183.23 (4/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (108)	446.61	+0.8	—	3.92	—	442.86	442.82	441.94	441.00	320.51	454.36 (22/8)	358.26 (1/1)	454.36 (22/8/83)	71.63 (13/12/74)
81	Mining Finance (4)	313.04	−0.4	7.79	4.66	15.93	314.42	318.25	315.56	313.26	213.88	330.44 (22/8)	236.76 (1/1)	330.44 (22/8/83)	66.31 (30/9/74)
91	Overseas Traders (15)	497.94	+0.8	7.23	7.51	21.18	493.76	493.01	490.20	490.00	362.91	505.99 (19/8)	387.81 (4/1)	505.99 (19/8/83)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	450.90	+0.4	—	4.74	—	448.91	446.31	446.26	445.33	361.55	465.74 (18/8)	382.22 (1/1)	465.74 (18/8/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Sept 23	Day's change %	Thur Sept 22	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years ●	117.88	+0.25	117.58	—	7.92
2	5-15 years	130.70	+0.49	130.07	—	10.24
3	Over 15 years	141.42	+0.52	140.69	—	10.29
4	Irredeemables	153.45	+0.93	152.04	—	8.90
5	All Stocks ●	129.75	+0.43	129.20	—	9.49
6	Debentures and Loans	104.18	+0.40	103.77	—	8.36
7	Preference	77.10	+0.05	77.06	—	5.71

	AVERAGE GROSS REDEMPTION YIELDS		Fri Sept 23	Thur Sept 22	Year ago (approx.)	1983 Highs	1983 Lows
	British Government						
1	Low Coupons	5 years	9.84	9.90	8.99	10.18 (11/8)	8.69 (5/1)
2		15 years	9.99	10.06	10.47	10.91 (24/1)	9.80 (23/6)
3		25 years	9.66	9.73	10.66	11.18 (31/1)	9.47 (13/6)
4	Medium Coupons	5 years	11.14	11.23	11.46	12.16 (12/1)	10.98 (13/6)
5		15 years	10.75	10.81	11.49	12.16 (24/1)	10.52 (13/6)
6		25 years	10.17	10.23	10.97	11.76 (24/1)	9.89 (13/6)
7	High Coupons	5 years ●	11.25	11.34	11.46	12.29 (12/1)	11.05 (13/6)
8		15 years ●	10.98	11.05	11.71	12.28 (24/1)	10.71 (13/6)
9		25 years ●	10.27	10.31	11.16	11.82 (24/1)	10.05 (13/6)
10	Irredeemables †		9.68	9.76	10.70	11.07 (2/2)	9.49 (13/6)
11	Debs & Loans	5 years	12.09	12.14	12.52	12.99 (1/2)	11.78 (15/6)
12		15 years	11.98	12.04	12.52	12.88 (2/2)	11.84 (14/6)
13		25 years	11.89	11.97	12.52	12.90 (4/2)	11.85 (29/6)
14	Preference †		12.67	12.71	13.38	13.24 (24/1)	11.97 (1/7)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

● Correct figures for 22/9/1983.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (94)

BRITISH FUNDS (8)
Treas 11½pc 1985; Treas 10½pc 1989; Treas 8½pc '84-86; Gas 3pc '90/95; Treas 10¼pc CV '87; Treas 15¼pc '96; Treas 10pc '87 (£20); Redemp 3pc '86-96

INT BANK & OVERSEAS GOVT STLG ISSUES (2)
Int-Am Dev Bnk 12½pc 2003; Mexico 16½pc 2008

COMMONWEALTH & AFRICAN LOANS (2)
Aust 6pc 1981/83; N Zeal 7¼pc '88/92

LOANS (2)
Met Water 3pc B 1981/84; Inv Ind 6¼pcDb

AMERICANS (8)
Abbott Labs; Ford Motor; Brunswick Corp; GATX; First Chicago; General Foods; Florida Power Light; Rexnord

CANADIANS (3)
Can Pacific; Seagram; Imperial Oil

BANKS (1)
Trade Devel Bank

BUILDINGS (1)
Whittingham (W.)

CHEMICALS (1)
Akzo NV

STORES (5)
Debenhams; Do A NV Ord; House of Fraser; Nthn Goldsmiths; Liberty

ELECTRICALS (7)
CASE; Miles 33; Int Sig Control; Newman Inds; Memec; 10pc Cnv Pt Pf; Memory Comp; Pressac

ENGINEERING (3)
Brown Tawse; Tecalemit; Evered

FOODS (6)
Assoc Dairies; Low (W.); Brooke Bond; Tesco; Linfood; Do 9pcLn 2002/07

HOTELS (1)
Garfunkels Rests

INDUSTRIALS (14)
Black (P.); Hartons Grp; Continental Grp; Hawkins Tipson; Dalgety; Midland Marts; Dinkie Heel; Pearson (S.); Dwek Grp; Sandhurst Marketing; Eastern Produce; Securiguard; Hanover Invs; Spring Ram Corp

INSURANCE (1)
Eagle Star

NEWSPAPERS (3)
Black (A. C.); Portsmouth & Sunderland; News Int Spec Div

PAPER (2)
Boase Massimi Pollitt; Saatchi & Saatchi

PROPERTY (1)
Utd Real Prop

SHOES (1)
Lambert Howarth

TRUSTS (15)
English & Intnl; Do Sub; Group Investors; Scot American Inv; Inv in Success; Wemyss; Lancs London Inv; Mercury Trans Tst; Murray Caledonian; Park Place Invs; New Tokyo Inv; Selected Market Ptg; North Atlantic Secs; Red. Prf; Robeco NV (Br); Westpool Inv

OILS (3)
Charterhall; Weeks Aust; Sun Oil (UK) Royalty

OVERSEAS TRADERS (2)
African Lakes; Finlay (J.)

PLANTATIONS (1)
Lon Sumatra

MINES (1)
Otter Explo

NEW LOWS (1)

BRITISH FUNDS (1)
Treas 15pc 1984

BANKS (1)
Hongkong & Shanghai Bk

BUILDINGS (1)
Mowlem (J.)

ELECTRICALS (1)
Chuang's

ENGINEERING (2)
Camseal; Haden

INDUSTRIALS (7)
Blundell-Permoglaze; Johnson Matthey; China Light Power; Ricardo Cons Eng; Hutchison Whamp; Ryan Intnl; Jardine Matheson

LEISURE (1)
Leisuretime Intnl

PROPERTY (1)
Swire Props

TEXTILES (1)
Notts Manu

TRUSTS (1)
Jardine Secs

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	83	10	7	300	74	126
Corpns. Dom. & Foreign Bonds	24	1	53	120	16	254
Industrials	306	186	851	1,436	974	4,456
Financial & Props.	161	41	315	575	304	1,706
Oils	28	24	59	130	113	312
Plantations	3	4	14	22	15	68
Mines	64	22	79	216	229	380
Others	99	31	63	369	216	374
Totals	768	319	1,471	3,168	1,941	7,675

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Atlantic Res.	450	−10	ICL	63	+ 5
Cable and Wireless	445	−12	Int'l. Sig. & Control	184	+20
Dunlop	51	− 6	Jardine Matheson	82	−12
Eagle Star	480	+25	Spring Ram	170	+12
Hadson Pet. Int'l.	116	+12	Unitech	220	+17
Henlys	88	+ 5	Westland	145	+11

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
GEC	98	188	+ 4	Cable Wireless	70	457	−16
Glaxo	96	785	+ 7	Tricentrol	70	230	—
RTZ	83	640	−10	Shell Trans.	69	618xd	+ 2½
Edenspring Inv.	76	14½	+ 1½	Boots	67	182	+ 8
BTR	72	537	+25	Plessey	65	212	+10
RAT Inds.	71	144	+ 9	GUS "A"	63	523	+28
Barratt Dev.	70	206	−10	ICI	62	534	+10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
BAT Inds.	18	144	+ 8	Std. Tel Cables	13	284	+ 6
Hadon	17	220	−35	ICL	12	58	− 1
RTZ	16	640	−10	Racal Elect.	12	210	+ 6
Applied Cmptr.	15	428	+18	BTR	11	537	+10
Cable Wireless	15	457	+ 7	BP	11	434	+ 8
Flextech New	15	164	+ 7	GUS "A"	11	523	+10
GEC	13	198	+ 6	Helical Bar	11	78	− 5

CURRENCIES...

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	65.4	69.3	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Sept 15	61.2	66.0	.....	—
MM Flexible Sept 6	52.6	55.4	.....	—
Fixed Interest Sept 1	54.7	57.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	291.0	—	+0.5	—
Invest. Tst. Fd. Acc.	307.8	—	+0.5	*12.2
Property Fund Cap.	117.2	—	+0.1	—
Property Fund Acc.	123.4	—	+0.1	*4.3
Flexible Fund Cap.	181.6	—	+0.7	—
Flexible Fund Acc.	191.1	—	+0.7	*4.3
Fixed Int. Fd. Cap.	139.1	—	+0.1	—
Fixed Int. Fd. Acc.	146.7	—	+0.1	—
Gtd. Deposit Fd. Cap.	138.9	—	.....	—
Gtd. Deposit Fd. Acc.	145.3	—	.....	—
Equity Fund Cap.	130.4	—	+1.0	—
Equity Fund Acc.	136.9	—	+1.0	—
International Fd. Cap.	140.3	—	+1.1	—
International Fd. Acc.	147.3	—	+1.2	—
Capital Gwth. Fd.	420.4	—	+2.1	—
Moneymaker Fund	168.4	—	+0.6	—
Exempt Inv Tst Cap	407.3	—	+0.1	—
Exempt Inv Tst Acc	422.5	—	+0.1	—
Exempt Inv Tst NS	420.2	—	+0.1	*8.3
Exempt Ppty Cap	189.1	—	+0.2	—
Exempt Ppty Acc	196.3	—	+0.2	—
Exempt Ppty NS	195.1	—	+0.2	*3.9
Exempt Flex Cap	242.5	—	+1.0	—
Exempt Flex Acc	251.6	—	+1.1	*4.3
Exempt Flex NS	250.1	—	+1.0	*4.4
Exempt Equity Cap	110.8	—	+0.6	—
Exempt Equity Acc	114.7	—	+0.7	—
Exempt Fxd Int Cap	105.8	—	+0.2	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		287.8	.....	—
Property Fund (A)		280.0	.....	—
Agricultural Fund		1,106.0	.....	—
Agric. Fund (A)		1,077.2	.....	—
Abbey Nat. Fund		228.4	.....	—
Abbey Nat. Fd. (A)		227.5	.....	—
Investment Fund		138.8	+0.6	—
Investment Fund (A)		136.2	+0.4	—
Equity Fund		414.0	+2.1	—
Equity Fund (A)		408.2	+2.1	—
Money Fund		215.3	+0.3	—
Money Fund (A)		211.4	+0.3	—
Actuarial Fund		221.1	.....	—
Gilt-edged Fund		191.0	+0.6	—
Gilt-Edged Fd. (A)		191.0	+0.6	—
Retire Annuity		352.0	.....	—
Immed. Ann'ty		193.0	.....	—
International Fd.		270.2	+1.3	—
Bldg. Soc. Life Fd.		103.8	.....	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	254.0	267.3	.....	—
Inv. Fd. Uts.		294.3	.....	—
Pension Fd. Uts.		250.4	.....	—
Conv. Pens. Fd.		288.1	.....	—
Cnv. Pns. Cap. Ut.		214.4	.....	—
Man. Pens. Fd.		325.0	.....	—
Man. Pens. Cap. Ut.		254.0	.....	—
Prop. Pens. Fd.		279.5	.....	—
Prop. Pens. Cap. Uts.		212.6	.....	—
Bldg. Soc. Pen. Ut.		251.1	.....	—
Bldg. Soc. Cap. Ut.		193.8	.....	—
Gilts Pens. Fd.		167.6	+0.6	—
Gilts Pens. Fd. Cap.		146.9	+0.4	—
Equity Pens. Fd.		251.9	+1.4	—
Equity Pens. Fd. Cap.		221.3	+1.2	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	105.5	111.3	.....	—
Fixed Interest Acc.	91.2	96.3	.....	—
Intnl. Acc.	81.1	85.6	.....	—
Managed Acc.	91.1	96.0	.....	—
Property Acc.	112.0	118.2	.....	—
Money Acc.	74.0	78.1	.....	—
Special Market Acc.	67.5	71.3	.....	—
Japan Acc.	60.7	64.1	.....	—

Vanbrugh Pension Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	233.7	246.0	+1.3	—
Equity	292.4	307.8	+2.0	—
Fixed Interest	211.6	222.8	+1.3	—
Property	182.2	191.8	.....	—
Index Linked Gilt	104.1	110.1	−0.1	—
Guaranteed		9.12	.....	—
International Money	112.1	118.0	+0.2	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	155.3	163.5	.....	—
Accum. Pen. Units	268.4	282.5	.....	—
Flex. Inv. Growth	161.0	169.5	.....	—

Continued on adjacent page Mon-Fri and Stock Exchange Dealings page on Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adirenta	DM21.36	21.79	.....	—
Adiverba	DM68.75	72.19	+0.23	—
Fondak	DM34.53	36.36	+0.20	—
Fondis	DM31.31	32.88	+0.17	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$253.16	256.96	+1.24	1.06

Next dealing Oct 14.

For Allen Harvey & Ross see Cater Allen

Alliance International Dollar Reserves
Now Alliance Capital Management Intnl. See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Andover Futures Ltd. (Adv: Thomte)
c/o MIL: Bank of Bermuda 809-295 4000

NAV Aug. 31		$73.89	.....	—

Arbuthnot Securities (C.I.) Ltd. (a)(c)(b)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (c)	103.2	108.0	+0.6	11.11
Gov't Secs. Tst.	81.1	84.6	+0.2	11.82
Yen Bond*	196.0	204.0	.....	5.88
Sterling Fd.†	157.7	157.9	.....	0.32
East Intl & Engy*	192.5	208.0	.....	0.60

Next dealing *Sept. 29. †Sept. 28.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Baver Sld Sept 19	SF10.664	11.206	.....	—

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.

NAV		$191.78	.....	—

G. T. Management (U.K.) Ltd.
Park Hse., 16 Finsbury Circus. Tel: 01-628 8131. Tlx: 886100.

London Agents for:

Anchor Gilt Edge	£10.28	10.34	+0.07	12.28
Anchor Int. Fd.	$9.06	9.07	.....	1.10
Berry Pac Fd.		$8.85	.....	0.62
Berry Pac Strlg.	£7.28	7.6650	−0.05	0.66
GT Applied Science Fd.		$18.03	+0.03	—
G.T. Asia Fd.		$4.04	+0.02	1.13
G.T. Asia Sterling	£41.75	43.86	−0.14	1.20
G.T. Australia Fd.		$38.46	.....	1.09
G.T. Bond Fund		$10.70	+0.02	10.00
G.T. Dollar Fd.		$18.08	+0.22	0.83
G.T. Dlr. (Strlg.) Fd.	£26.89	28.26	+0.05	0.92
G.T. Global Tech Fd.		$15.85	.....	—
G T Honshu Pathfinder.		$17.22	.....	—
G.T. Invest. Fd.		$20.58	+0.18	0.49
G.T. Japan Small Cos.		$30.27	.....	—
G.T. Technology Fd.		$34.71	.....	—
G.T. Pacific Fd.		$15.45	−0.02	2.53
G.T. Asean HK Growth.		$11.15	−0.08	1.48

Gartmore Fund Managers Ldn. Agents
2, St. Mary Axe, London, EC3. 01-623 1212

Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741

Gilt Fund (Jersey) Tue.	91.0	96.0	.....	10.50

Gartmore Fd Managers (Far East) Ltd(a)(h)
1600 Hutchison Hse., 10 Harcourt Rd., H. Kong.

Australia Tst. Mon.	$6.293	6.764	.....	1.30
Japan Fd. Tue.	$31.277	33.587	.....	0.60
N. American Tst. Wed.	$27.795	29.812	.....	0.60
Intl. Bond Fund Thu.	$10.523	11.086	+0.20	7.00
HK & Pac. U. Tst Fri.	HK7.732	8.268	.....	2.60

Gartmore Fund Managers (IOM) (a)
P.O. Box 32, Douglas, Isle of Man Tel. 0624 23911

Intl. Inc. Thu.	20.4	21.7	.....	—
Intl. Grth. Thu.	204.0	217.1	.....	0.60

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.

Sterling Managed Fd.	£146.63	154.35	.....	—
Dollar Mngd. Fnd.	$143.56	151.12	.....	—

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Granville Inv. Tst.	£21.02	11.48	.....	3.27

Next dealing day Sept 28.

Grindlay Henderson Mngt Ltd.
P.O. Box 414, St Helier, Jersey. 0534 74248.

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Guinness Mahon Int. Fund (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.

... St Peter Port, Guernsey 0481 27768

...Fd.	£1.10	1.16	.....	2.50
...	$1.01	1.06	.....	—

...e Growth Management
...d Royal, Luxembourg

...th Fd	$13.13		−0.05	—

...M. & G. Inv. Mngt., Ltd., London.

...modity Management Ltd.
...St., Douglas IoM 0624 25015

...nd	26.1	27.1	.....	—
...	65.9	68.7	.....	—
...l Fund.	120.9	125.9	.....	—
...y. Fd.	37.0	37.9	.....	—
...s Fd.	76.4	79.6	.....	—
...*	$0.560	0.582	.....	—

NOTES
Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ¶¶ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

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Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

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INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
76	57	Jessel Toyn & Gilett	70	+1	5.5	—	11.2	—
263	185	Joseph (Leo) £1	245	.....	11.25	—	6.6	—
116	94	King & Shax 20p	103	+3	7.5	—	10.4	—
370	270	Kleinwort B.L.	328	+1	11.0	—	4.9	—
576	395	Lloyds £1	508	+8	†24.58	3.8	6.9	4.1
40	27	Manson Fin. 20p	40	−3	‡2.0	2.3	‡	7.1
445	234	Mercury Secs.	440	−3	9.5	—	3.1	—
443	272	Midland £1	443	+8	¶25.5	3.1	8.4	4.6
£80	£67	Do. 7½% 83-93	£78¼	−¼	Q7½%	38.9	19.9	—
£97	£89½	Do. 10¼% 93-98	£96¼	+¼	Q10¼%	38.9	e11.8	—
118	77	Minster Assets	100	−2	4.7	2.1	6.7	9.2
•195	128	Nat. Com. Bk. Aus.	193	.....	FQ23c	2.6	6.8	5.7
675	446	Nat. West. £1	628	+8	†29.0	3.9	6.6	4.2
£80	£58	Ottoman Bank £20	£60	.....	Q45%	—	—	—
141	115	Royal Bk. of Scot.	130	+1	†6.7	3.6	7.4	4.7
655	465	Schroders £1	648xd	−2	15.0	—	3.3	—
250	200	Seccombe MC £1	250	.....	19.0	—	10.9	—
£37⅛	£22⅛	Sec. Pacific Corp.	£35½	−½	QS2.40	—	3.8	—
52	32	Smith St. Aub.	40	.....	3.5	—	13.7	—
•505	343	Stand'd Chart £1	435	.....	†27.0	2.4	8.9	5.3
$22½	$11½	Trade Dev. $1.50	$22½	+½	—	—	—	—
590	515	Union Disc £1	565	−5	31.0	—	7.8	—
£26⅝	£16½	Wells Fargo $5	£25½	−¼	QS1.92	—	5.1	—
200	140	Westpac $A1	193	+8	Q24c	2.2	7.1	6.4
215	154	Wintrust 20p	200	.....	3.91	—	2.8	—

Hire Purchase, Leasing, etc.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
267	140	✤Baltic Leasing 5p	252	.....	b2.8	3.5	1.6	19.9
52	23½	Cattle's (Hdgs) 10p	28	+½	†hl.28	2.1	6.5	8.8
£32	£19¾	Cie B'cre Fr 100	£26¼	+¼	gQ15%	—	5.1	—
61	30	Lnd Scot Fin. 10p	43	.....	†2.5	2.8	8.3	7.8
[illegible]								

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
28½	13½	♦ACM 20c	17	.....	—	—	—
90	32	Allstate Expln NL	46	+2	—	—	—
40	9	♦Australis Mng. NL	34	−2	—	—	—
25	11	Balmoral Resources	18	.....	—	—	—
60	37	♦Black Hill Mins	51	.....	—	—	—
85	51	♦Bond Corp	80	+2	g010c	2.3	7.5

Tins

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
170	55	Admiral Mines	108	.....	—	—	—
90	34	♦Anglo-Dominion	85	.....	—	—	—
93	54	♦Anglo Utd. Dev.	88	.....	—	—	—
169	60	♦Colby Res Corp.	150	.....	—	—	—
530	315	Cons. Murch. 10c	515	−10	±Q60c	1.9	‡
240	170	Hampton Areas 10p	236	−2	3.75	2.1	2.1
215	103	♦Highwood Res	200	.....	—	—	—
£24½	£18	Homestake Mining $1	£21	−½	hQ20c	—	0.6
495	330	Northgate C$1	388	.....	—	—	—
672	437	R.T.Z.	637	−5	t17.0	2.9	3.8
£147½	£108	Do.9½%Cu.Uns.Ln.'95-2000	£139	−3	Q9½%	32.5	†6.9
190	13	♦Sabina Inds C$1	95	−3	—	—	—
		For Southwest Res see Oil & Gas					
710	312	♦Tara Explm $1	700	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- φ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡† Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	IRISH	Price	+ or −
			Nat. 9¾% 84/89	£87⅝	+⅛
			Fin. 13% 97/02	£95¼	.....
Albany Inv. 20p	62xd	+1	Alliance Gas	88	.....
Bdgfwtr. Est. 50p	285	+5	Arnott	205	.....
Craig & Rose £1	£10½	.....	Carroll (P.J.)	105	.....
Finlay Pkg. 5p	38	.....	Concrete Prods.	75	.....
Graig Ship. £1	51xc	.....	Heiton (Hldgs.)	17	.....
Higsons Brew	87	.....	Irish Ropes	33	.....
Holt (Jos) 25p	910	.....	Jacob	85	.....
I.O.M. Stm. £1	140	−2	T.M.G.	65	.....
Pearce (C. H.)	475	.....	Unidare	76	+3

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	20	Utd. Drapery	23
Allied-Lyons	13	I.C.I.	45	Vickers	12
BOC Grp	20	"Imps"	11	Woolworth Hld.	30
B.S.R.	20	I.C.L.	7		
Babcock	15	Ladbroke	22	**Property**	
Barclays Bank	45	Legal & Gen.	45	Brit. Land	8½
Beecham	32	Lex Service	32	Cap. Counties	14
Blue Circle	45	Lloyds Bank	48	Land Sec.	28
Boots	16	"Lofs"	4	MEPC	20
Bowaters	22	London Brick	10	Peachey	16
Brit. Aerospace	19	Lucas Inds.	25	Samuel Props.	11
B.A.T.	14	"Mams"	14	Town & City	4
Brown (J.)	3½	Mrks. & Spncr	20		
Burton Ord.	35	Midland Bank	40	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	38
Courtaulds	10	Nat. West. Bank	55	Burmah Oil	17
Debenhams	14	P & O Dfd.	21	Charterhall	4
Distillers	20	Plessey	19	KCA	6
Dunlop	6	Racal Elect.	20	Premier	6
Eagle Star	45	R.H.M.	7	Shell	55
F.N.F.C.	5½	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	42	Reed Intnl.	32	Ultramar	65
Gen. Electric	18	Sears	8		
Glaxo	75	T.I.	13	**Mines**	
Grand Met.	30	Tesco	17	Charter Cons.	28
G.U.S. 'A'	58	Thorn EMI	55	Cons. Gold	58
Guardian	45	Trusthouse	16	Lonrho	9
G.K.N.	16	Turner & Newall	7	Rio T. Zinc	62
Hawker Sidd	28	Unilever	70		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday September 24 1983

Maureen Field on stream

MAN IN THE NEWS

France's electric whizz-kid

By Paul Betts

"I AM PAID to turn this company round and make it profitable by 1985," said Alain Gomez over a rushed sandwich yesterday explaining the background to the biggest shake-up any European country has undertaken in its electronics industry in recent years.

M Gomez, a 45-year-old former paratrooper with the tough and sleek demeanour of a man more comfortable in combat uniform than in a business suit, has held the headlines in France all week. As chairman of Thomson, France's nationalised electronics group, he announced this week a major swap of electronics and telecommunications assets with Compagnie Generale d'Electricite (CGE), the country's other leading electronics conglomerate.

Gomez agreed to pass on to CGE control of all Thomson's non military telecommunica-

Alain Gomez

tions business in return for CGE's consumer electronics and electronic components interests.

"From the beginning my mission has been Thomson's bottom line," he insists. M Laurent Fabius, the French Industry Minister, recently publicly reminded him of that when he warned nationalised industry bosses that he wanted profits by 1985 and that the renewal of their mandates would depend on their management record.

He says that Thomson, which lost FFr 2.2bn last year and was in dire need of management shake-up when Gomez took over, simply did not have the resources to survive in the new competitive environment in the telecommunications industry. "We had to find a partner and that partner was CGE," he says.

Gomez has always been a high-flier. He studied at Harvard Business School and the Ecole Nationale d'Administration, the nursery of top French civil servants. He served as a paratrooper in Algeria. He founded together with the former Socialist industry minister, M Jean Pierre Chevenement, the CERES group, which provides the theoretical backbone to the Socialist left in France.

Despite this colourful background—he is the sort of material a Hollywood film director would dream of—M Gomez insists he is a hard-nosed industrialist above all. The CERES political experience happened 20 years ago, he said yesterday. M Chevenement is an old personal friend of 22 years, but Gomez describes himself now as "a market industrialist."

"Whether you are the head of a nationalised company or a private company, profitability is the condition of everything else," he says. To this end, he has moved quickly to reorganise Thomson into a more coherent structure surrounding himself with ideas of his own generation. He has ruffled some feathers by his hard driving management style at Thomson, but then he says "some criticise me for not ruffling them more."

Before the landmark deal with CGE, Gomez tried but failed to buy Grundig to expand his group's consumer electronics business. He then settled for Telefunken and a controversial VCR licencing deal with JVC of Japan. It did not take him long, however, to realise that in the absence of substantial financial support from his financially squeezed shareholder, the state, the solution to his problem lay in passing control of his telecommunications business to CGE, which has long dreamt of becoming France's sole public telephone system supplier.

But Gomez, with his slick U.S.-style management approach and his good looks, has his fair share of enemies. He hopes to confound them by fullfilling the new Socialist criterion of making a profit by 1985. "If you can't do it in three years, you will never do it," he said yesterday.

Texaco beats off Mobil's challenge for Socal assets

BY RICHARD JOHNS

TEXACO BEAT off a late challenge by Mobil to buy the bulk of Standard Oil of California's (Socal) marketing and refining assets in North-West Europe, including the UK.

Agreement in principle was announced last night on sale of assets currently generating revenue at a rate of about \$1.5bn (£990m) a year. Both companies refused to disclose the price, but it is reckoned by market analysis to be less than \$300m.

Most of Socal's "downstream" assets in The Netherlands, Belgium, Luxembourg, Denmark and West Germany, as well as the UK, are included in the sale.

Chevron's operations in Italy are excluded. The only refining interest involved in Socal's 68 per cent share in the facility jointly owned with Texaco at Pernis in The Netherlands. This has a capacity of 280,000 barrels a day.

Mr John F. McKinley, Texaco chief executive, said the acquisition would raise group sales in the six countries by about 30 per cent. Retail outlets operated by the company would rise from 3,400 to 6,000.

Earlier this year Chevron Oil Europe, the Socal affiliate, estimated its market-share for refined products at 1.7 per cent in the UK, 2 per cent in West Germany, 3.3 per cent in Italy, 10.5 per cent in The Netherlands, 15 per cent in Belgium and Luxembourg and 6 per cent in Denmark.

Socal first began seriously considering disposal of its loss-making marketing operations in Europe early last year.

Texaco, meanwhile, has invested heavily in up-grading refining capacity aimed at a higher yield of more profitable, lighter petroleum products.

Mr George Keller, Socal chairman, said his company had suffered "unacceptable losses in Europe except for brief periods of unusual market conditions."

Socal's exploration and producing interests in Europe are not affected by the deal. Also excluded from it, Italy apart, are a stake in the Raunheim refinery, West Germany; aviation, marine and lubricant sales in the other six countries; liquefied petroleum-gas marketing in Belgium and Luxembourg; and a share of Calfam.

This is mainly engaged in selling heating and residual fuels in the Benelux countries, West Germany and Denmark.

James Buxton reports from Rome: Both Chevron and Texaco have small distribution operations in Italy and stakes in refineries. Texaco evidently was reluctant to become more deeply involved in the Italian market.

The Italian market has for several years been a bad one for oil companies because of tight control on pricing operated by the Government. Both BP and Shell left the Italian oil market in the early 1970s. Earlier this year Amoco sold its Italian operation to Arab interests.

BP's share sale, Page 3

Steel urges Liberals to take pathfinder role in Alliance

BY PETER RIDDELL, POLITICAL EDITOR

THE Liberal Party today ends its annual assembly in Harrogate more united than for some time, but still facing delicate negotiations with its SDP partners as the Alliance seeks to become the main opposition to the Conservatives.

In his major speech to the assembly yesterday Mr David Steel, the party leader, said the Liberals must "first and foremost start to look like a potential Government." He said this meant developing the Alliance and recapturing the intellectual initiative from the Conservatives.

His speech was intended to bring his party together and to project it outward. He argued that "a confident, united and far sighted Liberal Party will give the lead to the Alliance."

Mr Steel has re-established his position after his 10-week sabbatical and the bickering of the summer. But this has involved some careful bridge-building during the week, particularly with vocal local councillors, and the isolation of Mr Cyril Smith the Liberal Party's ageing rogue elephant.

Mr Steel's speech contained several references to themes liked by the activist critics, notably the organic development of the Alliance at local level, "a thinking and campaigning party" and "fighting for local democracy."

While all these touched the right chords and were well received, Mr Steel made no concessions of substance and there was little new on policy. On defence Mr Steel said the decision of Liberal MPs over the siting of cruise missiles in Britain would depend not only on the position of the super powers in the Geneva talks, and on the presence or absence of a dual-key system of joint control, but also on whether the British Government had taken a positive attitude.

This formula papered over the conflict with the unconditional opposition to cruise of the Liberal Assembly two years ago, but it was similar to Dr David Owen's recent remarks at the SDP conference.

However, the underlying approaches of many Liberals and the SDP on the issue are different and the two parties could vote in different ways.

There were no significant differences on policy between Mr Steel's speech and Dr Owen's in Salford 10 days ago. However, the tone and style of the two speeches were different. Dr Owen's stress on the free market, and his unashamed patriotism were absent from Mr Steel's speech. But both emphasised the need to protect the welfare state which each leader sees as a weak point for the Government.

Liberal Assembly, Page 4
David's face up to Goliath, Page 20

U.S. delay worsens IMF cash problem

BY ANATOLE KALETSKY IN WASHINGTON

THE International Monetary Fund is dangerously short of liquidity, but there is no likelihood of the U.S. Congress approving an increased contribution until November at the earliest, Mr Donald Regan, U.S. Treasury Secretary, said yesterday.

The fund's cash shortage and the growth of economic isolationism in Congress are the two inter-related issues which IMF and World Bank officials expect to dominate their annual meeting and associated talks between groups of the world's finance ministers beginning in Washington this weekend.

Uncertainty about the U.S. legislature's ratification of the SDR 40bn (£28bn) increase in contributions to the IMF, agreed in February by the 146 member nations, will overshadow the meetings.

European finance ministers, meanwhile, have suggested that agreement on a \$6bn (£4bn) loan to the IMF from central banks in Europe, Japan and Saudi Arabia may be held up until the U.S. comes forward with its quota increase.

This delay has greatly exacerbated the IMF's liquidity problems and forced, M Jacques De Larosiere, the managing director, to announce that any new commitments to IMF borrowers will have to be severely scaled down until the loan is agreed.

The unwillingness of European central banks in particular to agree on their share of the loan ahead of the U.S. quota increase being ratified by Congress, is likely to be the biggest immediate issue at the Washington gathering.

Mr Regan will tell the European finance ministers that the Reagan administration is making its best efforts to push the Bill, but that the U.S. legislative timetable makes final Congressional approval unlikely much before November 30.

This is the theoretical deadline by which IMF members are supposed to notify the fund that their quota increases have been ratified.

The Third World's second major request, which will dominate the World Bank side of the annual meeting is a move towards an agreement on refinancing of the International Development Association, the arm of the World Bank which makes interest-free loans to the poorest developing countries.

Nigeria loan doubts, Page 2

BL profit

Continued from Page 1

in the half-year was "on target" and it did not draw down any of the £200m the Government has made available for 1983-84.

In the first half BL paid interest of £41m (£45.2m) and its loss before tax was £39.7m (£106.5m). Tax took £4.1m (£3.7m) but the group collected £2.8m (£1.5m) in respect of minority interests. Some £88.8m (£72.8m) was charged in depreciation and amortisation.

Brian Groom adds: Vauxhall Motors yesterday put a revised pay offer to union leaders of its 14,500 manual workers. The duration of the previous 15-month, 6.5 per cent offer was shortened by a month, which according to union negotiators made it worth about 7 per cent.

The union will recommend rejection to meetings at Ellesmere Port, Luton, and Dunstable on Monday. They face a choice between going ahead with the all-out strike threatened for next week, and making one last effort to persuade the company to offer a conventional deal worth 8 per cent over 12 months.

The new offer gives a 6.5 per cent rise between September 12 and mid-November, rising to 8 per cent for the 12 months until mid-November 1984. It would raise basic weekly wages to between £131.43 and £102.96.

Brazil

Continued from Page 1

"use force" with its creditors, if they were too pressing.

The minister said that the creditors' desire to receive prompt service of their loans, while expressing unwillingness to purchase Brazilian exports, was "impossible."

During the past three years, he went on, average per capita income in Brazil had dropped by about 6 per cent. He hoped, though, that Brazilian economic growth would resume next year.

Continued from Page 1

Beer flows for Aussies

flecked crew, whose efforts have been such that Bond will probably dedicate a brewery to them.

Australia's hero is Ben Lexcen, the yacht's designer, of whom Bond says: "I know that Ben did not have a degree from some fancy university, but let us face it: the bloke is a genius. He is completely self-taught. He is now the most educated naval architect in the world."

Lexcen is similarly impressed with Bond, rating him as a "pretty gutsy guy" for his decision to support Lexcen's radical delta-winged keel design, which sparked "keel-gate" and provoked byzantine manoeuvrings by the NYYC.

"It is boots and all with that bloke," said Lexcen of Bond.

In crumpled blue shorts and faded green tee-shirt, with a chunky black stopwatch clamped to his wrist, Lexcen looms large wherever he goes.

He spent his childhood in the steel town of Newcastle, on the New South Wales coast, was reared by his grandfather, began school at 11, and left at 14.

Although he views Australia II as a next-generation 12-metre, it is understood that he has peered at least one step beyond. At one stage he toyed with the notion of attaching small fibre-glass wings to Australia II's masthead. The wings might have improved the mainsail's lift by up to 1 per cent.

Before the challenge round started, Lexcen warned his countrymen that Australia II was not the threat to the "whingeing yanks" that the whingeing yanks thought it was. He said the Americans handled their boat better than the Australians.

On the other hand: "If we don't win this time, no one can win the bloody thing." He'd like nothing better than to win the "silly old mug," take it from New York, and roll it flat with a steamroller—then it would be the Perth plate.

RCA to sell CIT offshoot for \$1.5bn

By Paul Taylor in New York

RCA, the U.S. broadcasting, publishing and electronics group, said yesterday that it was negotiating sale of its CIT Financial Services subsidiary.

RCA declined yesterday to specify the asking price or identify the prospective purchaser for CIT, one of its most profitable businesses.

But Manufacturers Hanover, the fourth largest banking group in the U.S., said later it was planning to pay \$1.5bn for the unit.

RCA's brief announcement that it was "in discussions with respect to the sale of CIT Financial" came as a surprise despite that the fact that RCA's share price has risen sharply on the New York stock exchange in recent days.

The RCA stock gained \$1⅜ to \$30⅝ on Thursday, with analysts noting that one large investor had further raised its stake in RCA's preferred stock. Yesterday RCA was listed among the most active stocks in early trading, and gained a further 50 cents after the announcement.

The sale of CIT Financial would mark a major change in strategy for RCA and for Mr Thornton Bradshaw, RCA's chairman and chief executive.

Earlier this year, after announcing that CIT had had "its best-ever year" in 1982, "with both the financing and insurance operations contributing to RCA's record earnings," Mr Bradshaw firmly denied that the unit was up for sale.

CIT, which has a wide range of industrial, commercial and consumer financing activities as well as extensive insurance interests, had revenues of \$1.1bn and pre-tax profits of \$191.5m, compared with \$168.3m in the previous year.

RCA bought CIT Financial in June 1980 for \$1.4bn as part of a diversification drive. But the acquisition, together with the purchase of Hertz, the rental car agency, initially proved less successful than expected because of the impact of rising interest rates and the strain placed on RCA's balance-sheet.

In an effort to reduce the burden of long-term debt servicing charges RCA put Hertz up for sale 18 months ago. But last month the company announced that it had changed its mind because of the "promising prospects" for Hertz.

At the time Hertz was put up for sale, Wall Street analysts suggested that the asking price might be about \$750m. CIT Financial should sell for considerably more.

Weather

UK TODAY

MAINLY DRY with some sunshine after early fog. Rain later.

London, S.E., S.W., Central Southern England, S. Wales, Channel Islands
Fog patches with sunny periods, cloudy later with a little rain. Max. 26C (79F).

E. Anglia, Midlands, N. Wales, N.W., E. and Central Northern England.
Fog, soon dispersing. Sunny, rain in places later. Max. 23C (72F).

Lake District, Isle of Man, N.E. England, Borders, S.W. Scotland, N. Ireland.
Cloudy, some rain at first, sunny intervals later. Max. 16C (61F).

Rest of Scotland
Dry, bright intervals. Max. 15C.

Outlook: Some rain in eastern England at first, otherwise dry after overnight fog. Warm.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	Luxmbg.	S	19	66
Algiers	—	—	—	Madeira	—	—	—
Amsdm.	S	18	64	Madrid	S	31	88
Athens	F	28	82	Majorca	S	30	86
Bahrain	—	—	—	Malaga	C	28	82
Barclna	F	25	77	Malta	F	27	81
Beirut	—	—	—	M'chstr.	S	20	68
Belfast	S	18	64	Melbne.	—	—	—
Belgrd.	S	20	68	Mx. C.†	—	—	—
Berlin	S	16	61	Miami†	S	23	73
Biarritz	S	32	90	Milan	S	25	77
Bmghm.	S	19	66	Montrl.†	F	10	50
Blackpl.	S	18	64	Moscow	S	23	73
Bombay	—	—	—	Munich	S	19	66
Bordx.	S	28	82	Nairobi	—	—	—
Boulgn.	S	20	68	Naples	S	28	82
Bristol	S	20	68	Nassau	—	—	—
Brussels	S	20	68	Nwcstl.	S	17	63
Budpst.	S	20	68	N Delhi	—	—	—
Cairo	—	—	—	N York†	S	10	50
Cardiff	F	17	63	Nice	S	25	77
Cape T.	—	—	—	Nicosia	S	26	79
Chicg.†	S	02	36	Oporto	F	17	63
Cologne	S	20	68	Oslo	F	15	59
Cpnhgn.	F	16	61	Paris	S	21	70
Corfu	S	28	82	Peking	—	—	—
Dallas	—	—	—	Perth	—	—	—
Dublin	R	16	61	Prague	—	—	—
Dbrvnk	S	26	79	Rykjvk.	—	—	—
Ednbgh.	C	17	63	Rhodes	—	—	—
Faro	C	24	75	Rio J'o†	—	—	—
Florence	S	30	86	Rome	S	26	79
Frankft.	S	19	66	Salzbrg.	S	20	68
Geneva	S	20	68	S'cisco†	C	18	64
Gibrltr.	F	24	75	Singapr.	—	—	—
Gl'sg'w	C	17	63	S'tiago†	—	—	—
G'rnsey	S	19	66	Stckhlm.	S	15	59
Helsinki	R	09	48	Strasbrg.	S	19	66
H. Kong	—	—	—	Sydney	—	—	—
Innsbrk.	S	21	70	Tangier	C	30	86
Invrnss.	C	17	63	Tel Aviv	S	28	82
I o Man	—	—	—	Tenerife	F	21	70
Istanbul	S	−4	25	Tokyo	—	—	—
Jersey	S	21	70	T'r'nto†	C	07	45
Jo'burg	—	—	—	Tunis	S	30	86
L. Plms.	C	24	75	Valencia	S	28	82
Locarno	C	21		Venice	S	25	77
Lisbon	C	22	72	Vienna	S	17	63
London	S	21	70	Warsaw	F	16	61
L. Ang.†	F	20	68	Zurich	F	18	64

C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

No vacancies at the inn

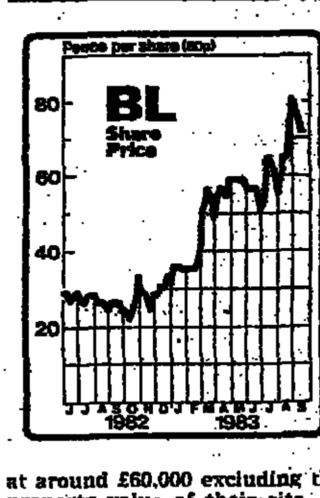
London's hotels are still full to overflowing after their best summer since 1980 and profits for the leading operators are fast returning to the spectacular levels of the late 1970s. Industry consultants Pannell Kerr Forster Associates estimate that average room occupancy rates in London were already up to 89.3 per cent by July, from 77.8 per cent a year earlier, while official statistics confirm that high-spending visitors from the U.S. are making a big contribution to the rising number of tourists in the UK.

London's single room tariffs were this week reported to have risen on average by about 13 per cent over the 12 months to June. But revenues per room in the year to July were up 28.2 per cent, which suggests how much more important have been higher achieved room rates than simple tariff increases. This is a measure of the improved marketing techniques being used by the major chains in London — and the point is heavily underlined by the contrasting performance of the hotels stranded far away from the London boom, in the provincial towns and seaside resorts of Britain.

Improved cash flows and a diminished emphasis on supposed property values have meant conspicuously fewer bankruptcies in the hotel industry over the 1981-82 recession than its predecessor in 1974-75. Provincial hotels have been having a thin time, nonetheless, and the dramatic upturn in the London market since March is still passing many of them by. There has been much criticism of their widely perceived failure to update either product or marketing. But the continuing impact of the industry's recession is really being felt by the smaller independent companies. The major publicly quoted hotel chains, meanwhile, have been pushing to develop specialist provincial markets — for conferences, for example, or weekend breaks—and also, increasingly, to capture a bigger share of the London profits.

The pursuit of London business has coincided with the decision by Grand Metropolitan to jettison most of its UK hotels in favour of international expansion. As many as 20 hotels have changed hands in London this year as a result, with ten or so sold by Grand Met itself. When first class hotel rooms carried a £40,000 total price tag in 1975, the market was regarded as a passing wonder. Now luxury rooms are valued

Index fell 1.2 to 706.9



at around £60,000 excluding the property value of their site.

For purchasers in London like Mount Charlotte or the private Gleneagles Hotels consortium, restrictions on hotels building and an envisaged shortage of room capacity by the mid-80s has been a compelling enticement. The performance of the hotel companies' shares has certainly corresponded with this view. Trusthouse Forte and Stakis have underperformed the market over the last year and joined Queens Moat Houses as rather defensive stocks, with limited London exposures and yields over 4-5 per cent. Comfort Hotels and Mount Charlotte, though, are two small companies with a close City following and a lot to live up to in the present boom.

BL

For the first time in four years, a figure in black has appeared on a BL revenue statement to break up the sea of red ink. It is admittedly small — a trading profit of £1.3m for the six months to June — but still represents a remarkable turnround from the trading loss of £61.3m recorded in the first half of last year.

The figures even evoked a response from the stock market, which marked the shares down 5p to 72p. At that price, BL carries a market capitalisation of £2.8bn. Well, not quite. The tiny proportion of the company not owned by the Government is still valued at comfortably under £10m and even that figure is heavily influenced by the belief, probably misguided, that ownership of BL shares will secure preferential access to any privatisation bounty.

Yet the fact that there is now a market of some kind in BL equity is itself a sign of the changing times. Wholesale privatisation is still a commercial pipe-dream. For the group as a whole, trading margins would have to rise by 2½ percentage points just for the interest charge to be covered. The work-force has now stabilised and the curve of rising productivity is probably levelling off, so a return to attributable profits must depend on rises in volume and prices which look most implausible.

The BL statement is as short on detail as ever but, assuming that Austin-Rover is only just the right side of break-even, the £37m trading profit in cars suggests that Unipart and Jaguar could be floated off as soon as politicians and merchant bankers are ready.

Markets

The anti-blood sports league achieved final victory yesterday when a long tradition of stagging was outlawed. The success of the BP sale suggests that the tender is likely to emerge as the new orthodoxy. Well before the closing date, however, City attention was switching to a new focus of excitement, as interest rates in the money market moved down to the region of 9 per cent.

The authorities have so far resisted the downward pressure, with the Bank of England taking out shortages through a series of sale and repurchase agreements. With further shortages next week, the market will remain very much in the Bank's hands. Meanwhile, the clearing banks seem to have little immediate incentive to reduce base rates, given the fierce competition in the personal savings market. The attraction of holding on until the Conservative conference next month must also loom large, now that plans for taxing banks have re-emerged as a hot political issue.

The switch in emphasis from worrying about the direction of the next move in interest rates to speculating about the timing of a reduction is, of course, meat and drink to the gilt-edged market, which is now untapped. The success of the Government's funding programme suggests that sterling M3 may have come back within the target range in banking September, although there must still be a temptation for the authorities to mop up the building societies' excess liquidity with a short early next week. Meanwhile, the relationship between gilt-edged and equity yields looks a lot more stable, which may allow the two markets to forge ahead in tandem.